

JPRS-EER-91-080  
11 JUNE 1991



# ***JPRS Report***

## **East Europe**

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# East Europe

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## CZECHOSLOVAKIA

### Slovak Press on Budmerice Talks on Constitution

AU0406130791 Prague CTK in English 0709 GMT  
3 Jun 91

[Text] Bratislava—The Slovak independent daily NARODNA OBRODA says that the talks on the constitutional setup in Czechoslovakia at Budmerice near Bratislava on May 31 produced no progress. The division of powers between the Federation and the Czech and Slovak Republics, which make it up, and the form and content of the legal document which should codify Czech-Slovak coexistence remain the bone of contention. The notion of confederation which is favored by the Slovak side is unacceptable for the Czech side, the paper adds.

The leftist daily PRAVDA says the sole positive feature of the Budmerice negotiations was the presence of representatives of the parliamentary opposition. (At the two previous rounds of the talks only the government coalition parties were represented.) The paper describes the attitudes of the Christian Democratic Movement (KDH) to the talks which reflect the division of views in the movement, now the strongest political force in Slovakia as manoeuvring for its own benefit. The KDH was the first to propose the conclusion of a state treaty between the Czech and Slovak Republics. At the second round of the talks at Lany on May 10, however, it did not insist on any specific form of the document which the two republics should conclude. But at following press conferences the KDH again spoke about a state treaty, the paper says. It also mentions the contrasting attitudes of Czech National Council Chairwoman Dagmar Buresova and Czechoslovak President Vaclav Havel. Buresova believes that two years is not a sufficient [garbled words] out the constitutions, while Havel will deem it a big disaster and failure of the democratic forces if the constitutions are not approved before the next parliamentary elections due by the end of June 1992. In this connection the paper says that the prolongation of the current term of the Federal, Czech, and Slovak parliaments may soon be officially demanded which could result in a quick collapse of the federation.

## HUNGARY

### Law Proposed To Limit Criticism of President

91CH0551A Budapest HETI VILAGGAZDASAG  
in Hungarian 16 Mar 91 p 25

[Article by Endre Babus: "The Presidential Wooden Horse"]

[Text] It is still unclear whether a government resolution or the private action of an overzealous ministry official is at issue. At any rate, a bill was drafted in the Ministry of Justice which attempts to apply the same rigor against persons who offend the dignity of the president of the

new Republic of Hungary as was applied in the past in connection with lese-majeste. In plain language, just as anyone who publicly disparaged his imperial and royal highness Franz Joseph could reckon with imprisonment for up to three years, anyone degrading the president of the Republic would be honored with the same.

In a political sense, this matter is piquant, to say the least, since a new legislation of lese-majeste would mean the codification of an authoritative regulation which could possibly become an embarrassment to our head of state, Arpad Goncz himself, who would be personally involved and who professes to be a staunch republican. This is why it is not inconceivable that in case the draft bill is enacted, the president of the state, exercising his constitutional right for the first time, would instead of announcing the new statute, send it back to the parliament for "reconsideration." However, he can do this only once; the second time he would not be able to refuse signing it.

But this would be tantamount to seriously violating the freedom of speech, a characteristic of the recently defunct regime. The new statute would include not only the president of the Republic but, and this was even more important to the codifiers and their clients, the parliament, the Constitutional Court, and last but not least, the government were also smuggled into the affair's Trojan horse, setting the penalty at three years of imprisonment in each case. Thus, the statute would guard not only, and not primarily, the country's first man, but the "state's majesty," which has been under attack practically since it took power against impertinent and loud interjections.

This draft bill, which allegedly will be circulated in the other ministries during the coming days, is hardly one of those awaited by many people for a long time. Indeed, there are perhaps those who think that one difference between republics and monarchies is that the president of the republic has no special immunity to the penal code, other than that which still exists for other public servants. But we may have to say farewell to this belief just as we have had to abandon the fixed idea that a republican statehood cannot be reconciled with the crowned state emblem of a monarchy. The Constitution of our Republic categorically states in Paragraph 31 that the president's immunity must be guarded by a separate statute.

Thus, according to the recent proposal regarding this matter, the two years of imprisonment that can generally be imposed upon anyone degrading an official person would be supplemented by an additional year, totalling three, when it is the president who is disparaged. But it is even more astonishing that the zealous codifiers want to guard the president of the Republic against insulting words even more efficaciously than the onetime "imperial and royal highness." Accordingly, any sharp criticism directed not only at the president personally, but also at any of his measures, would in the future carry the risk of three years of imprisonment.

Laszlo Szuk, chief counselor of the Ministry of Justice, who initiated this reinstatement of the institution of the "lese-majeste," argues that even the sharpest critical comments that "use adequately subtle expressions" would continue to be allowed. "The freedom of speech must be supplemented by a sense of responsibility," says legal expert Szuk, who, in all indications, wants to limit allowable public criticism of constitutional dignitaries and other public officials to vocabulary customarily in the language of diplomacy.

In addition to all of this, the bill also offers another penal piquancy. It wants to leave it up to the head of state to determine which offender the authorities may initiate legal action against and which one they must terminate any legal process against. Not even the first Hungarian penal code (1878) gave such a right of determination to the king against his offenders. The present proposal can put everyone at ease only in demonstrating that, surely, even feudalism is capable of progress.

### Editorial Critical of Conflicts in Cabinet

91CH0612A Budapest FIGYELO in Hungarian No 17,  
25 Apr 91 pp 1, 5

[Editorial by Dr. Gyorgy Varga, FIGYELO editor in chief: "The Program Does Not Suffice"]

[Text] Weakening the credibility of Hungary's foreign policy with secret transactions and diplomatic scandals is not beneficial. Similarly, it is not beneficial if the military leadership of Hungary is not united when jurisdictional skirmishes within national defense exist. In times of peace these phenomena in the diplomatic and military fields are less damaging and less dangerous than similar phenomena in the economic field, particularly at a time when an [economic] war is in progress. And yet it seems as if signs of dissent and jurisdictional dispute have appeared within the part of government concerned with the economy. Fortunately, this situation has not yet evolved to an extent similar to those in the diplomatic and military fields. Volleys have been fired in part behind the scenes, and in part in newspapers.

This applies both to issues of principle and strategy, as well as of technique and procedure.

Perhaps the contradiction which manifests itself regarding the respective roles to be played by the market and the state, and regarding the method and speed of privatization best characterizes the sharp conflict between the Ministry of Finance and the other ministries influenced by the various lobbies, to put it in simple terms. The dispute that erupted between the Ministry of Finance and the Hungarian National Bank concerning the effectiveness of monetary policy is a new and commendable development. The subjects of jurisdictional disputes include the management of our economic diplomacy, the handling of regional crisis centers, the establishment and management of various funds, etc.

Quite obviously, we could discuss at length the causes of differences of opinion that paralyze unified and effective governmental action, starting with institutional factors, such as assigning the development of economic strategy to the Ministry of Finance, which is responsible for budget performance in the short term, and the lack of harmony between ministries responsible for various branches of the economy in making supplemental budget request on the one hand, and the nature of economic processes on the other—all the way to the subjective factors, not to mention policy considerations which differ from those supported by the ruling coalition parties. "The gentlemen do not talk to each other." This is how a ministry official characterized the situation among cabinet members involved with the economy, perhaps with a bit of exaggeration.

"What is good for General Motors is good for the country," people quote the old slogan in the United States. In Hungary, however, the slogan: "What is good for Ikarus is not good for the country" would be more appropriate. It characterizes the condition of a significant part of the economy, and well reflects the crisis of the Hungarian economy.

Essentially, however, this peculiar contradiction is also reflected in disputes. By adapting the above slogan, we could say that "what's good for the Finance Ministry is not good for the Ministry of International Economic Relations" (and also in the reverse, of course).

An interview with Peter Akos Bod, the Industry and Commerce minister, published in FIGYELO No. 15 reveals that the economic stabilization programs prepared by the Finance Ministry and the ministries responsible for the various branches of the economy run on separate tracks. One could say that they are mutually independent. In its own way the stabilization program is an elegant document, or more accurately, it "passes by" the tragic (and declining) situation in the productive sphere and in the infrastructure in an elegant manner. And if the programs now prepared are forced to face the realities of production policies unveil some new crisis centers or find that the disease has spread farther than what the stabilization program indicates, then, to use Bod's statement phrased with refined malice, "...this would be noteworthy information for those who prepared the economic policy program."

But let's drop this subject, I do not dare to enter either the hard to traverse labyrinth of decisionmaking, or analyze the division of labor within the cabinet, and the relationships between interests that flow from this division of labor.

My message is something simpler than that. In Hungary we cannot afford the kind of luxury the governments of countries with developed market economies may be able to afford. In those countries conceptual disputes and differences within the the government do not influence, or influence to a lesser extent, the economy and economic processes than in Hungary. In Hungary the

economy has not yet become an autonomous factor sufficiently independent from politics and from the state as in countries with market economies. In Hungary the state sector is still the definitive part of the economy which must be transferred to the world of the market sector as soon as possible. For this reason, conceptual debates which could otherwise (under different conditions) be tolerated may present risks under our circumstances. A lack of agreement concerning operational matters or the government's lack of unity in following through its decisions is clearly damaging.

### Situation of Local Governments Viewed

#### Associations Proliferate

91CH0541A Budapest MAGYAR HIRLAP  
in Hungarian 16 Apr 91 p 5

[Article by Janos Laszlo: "Local Governments Defend Themselves"]

[Text] After the local elections last September, it seemed that the national government, even if it wanted to, did not know with whom to collaborate on the still unwritten bills necessary for the operation of local governments. At about the same time, aside from a few regional organizations, only TOOSZ (National Association of Local Governments), whose legitimacy was questionable, was up and running. However, the lessening of safeguarding of interests did not last long because by the end of the year new organizations had begun to spread like mushrooms, and people almost began to fear that the representation of interests in this field would splinter into unmanageable units.

Last year local government associations sprang up like weeds. It can be proven or conjectured that political parties stood behind some of them. But in due time the rivalry for political influence abated because it was soon revealed that the interests of local government inevitably ran counter to those of the national government, i.e., attachment to even one party did not restrain expression of local viewpoints, as the trenchant debate between districts and the capital city showed. Forums for the pooling of interests have gradually taken shape. As we know from those affected, they still do not function to everyone's satisfaction, but at least they exist.

National associations organized on the basis of settlement type, municipality, small city, county city, capital city district, have formed a coordinating committee but are also actively linked to TOOSZ and the Association of Hungarian Local Governments and Local Government Representatives, which was founded with the Hungarian Democratic Forum's help. We asked the director of the Interior Ministry's local government division and the chief officers of associations mentioned above what they make of this self-buildup, i.e., how do they assess the current pooling of interests?

Miklos Bardi, chairman of the Association of Local Governments and Local Government Representatives:

"We were founded last November. We are continually gaining new members, though we consider the number an internal matter. When the local government associations were formed, it was discernible that almost all of them were launched by political parties, but I can say that in our case party interests are not asserted. We furnish our members with information, arrange continuing education courses, and cooperate with other associations. In any event, we regard coordination as vital, because otherwise we will be unable to present a united front. We receive draft bills from the ministries, and it is my experience that our opinions are more or less taken into account."

Mrs. Sandor Kovacs, mayor, chairwoman of the Association of Municipal Governments: "We were established last November at the request of 15 Baranya mayors, and we currently have 252 members. Our organization presently has very little money, and even correspondence is a problem. We keep in contact with the municipalities through the county chairmanships. We receive professional assistance from the University of Pecs and the MTA [Hungarian Academy of Sciences] Regional Research Center in South Transdanubia. On the basis of my experience in the West, I think that the developmental trend everywhere is to organize according to settlement type. Through protest, teamwork, and correspondence, we achieve some success, but I am not at all satisfied. We should do more than express our views on draft bills. Local governments need a forum similar to the Council for Pooling Interests."

Istvan Siklaky, mayor of the capital city's 13th District and secretary of the Consultative Body of County Cities and Capital City Districts: "Our organization is temporary. It will soon dissolve. County cities have already formed a separate organization, and an association of capital city districts is in the works. Several ministries, especially the Interior Ministry, are trying to draw us into the process of drafting bills. Unfortunately, all of this cannot be communicated at the government level. A glaring example is that six weeks ago, on behalf of the local governments' coordinating committee, actually on behalf of 1,030 mayors and roughly 8 million citizens, we sent Prime Minister Antall a letter in which we recommended discussions of local governments' distinct problems. So far we have received no answer. I could likewise mention that according to the current version of the compensation law, compensation tickets can be used to buy a house. This profoundly affects local governments; it can take a hundred million forints out of our pockets."

Ferenc Kollner, chief secretary of the National Association of Local Governments: "We currently have 750 member organizations which, sanctioned by the local assembly ruling, joined up after the local elections. We operate exclusively from member fees, which are 2 forints per year, per settlement dwelling. We provide instruction, prepare publications, offer expert services, and maintain a local government telephone hotline. I think that the mechanism for pooling interests is becoming quite cumbersome, which is too bad because

the laws that determine our existence over the long haul are being drafted right now. Our local assembly's viewpoint is that we are ready to cooperate with every association. We would like to establish a coordinating council, but we have received no response to this proposal from the others."

Lajos Szabo, director of the Interior Ministry's local government division: "The local government law affirms that local governments can create associations to represent their interests. Thus, the Interior Ministry should not direct and certainly not coordinate this process. To my knowledge, 13 special-interest associations currently operate in this country. Professionally, I very much approve the establishment of several coordinating committees: this can make their presentation much more effective. The law also states that the draft bills must be geared to the special-interest associations. We have never failed to do this, and as far as possible we take their comments into account. I can say with some exaggeration that earlier we would have been accused of wasteful spending. After all, we recently sent the local government property and ownership draft bill to 3,093 mayors. It would have been easier for us to forward these documents to just four key associations. I know that some organizations grumble about the right to express opinions, but I would consider it absolutely improper for them to be able to exercise the right of veto over legislative agencies."

#### Competition for Funds

91CH0541B Budapest MAGYAR HIRLAP  
in Hungarian 16 Apr 91 p 5

[Article by A. Sz.: "Race for Financial Support: Parliament Is the Judge"]

[Text] The local government's race to acquire funds for new and old investments is still not over. The budget law set aside 6.2 billion forints for this purpose, and the local governments recently had to submit their claims for this money. (The entire local government budget is 370 billion forints this year.)

Nearly 2,800 claims have been recorded by the Interior Ministry. The local governments held out their hands for 15.5 billion forints of support altogether. The point is that according to the budget law the National Assembly determines which goals are funded and under which conditions. For example, if a local government wants to build an elementary school, it can receive state support only if the settlement has 500 or more inhabitants and no independent school. In this case, the state pays for 40 percent of the construction.

Thus the local governments must contribute their own money to these projects. If we also take into account the latter share, local governments plan to spend 30 billion forints this year on projects also subsidized by the state. This sum is equal to the entire sum of local investments last year.

Numerous local governments made errors of form and content when they entered the race. Many pledged less money from their own sources than the law prescribes, or they fortuitously claimed money, not for investments, but for developmental credit payments.

Incidentally, it is not the Interior Ministry, nor the government, but the parliament that judges the race. The Interior Ministry examines the 2,800 claims merely from the viewpoint of whether they meet the criteria established by the budget law. Making their decision, the parliamentary representatives must take into account to what degree they commit themselves to the future when they award this year's funds. If by chance a local government does not finish its state-supported construction this year, it can legally count on financial support in the future. Thus, the local government must unfailingly be offered support until the project is finished. In the last analysis, the essential problem is that the parliament must keep a constant eye on local government projects supported by the state.

By the way, local governments can obtain money from another special budget fund. It is available to those who, through no fault of their own, find themselves in a disadvantageous financial situation. This is a 5-billion-forint fund, and the Finance Ministry arranges allotments. In the case of both races, a parliamentary decision can be expected by the end of April.

#### MDF Representative Attacks Csurka's Nationalism

91CH0628A Budapest MAGYAR NEMZET  
in Hungarian 28 Feb 91 p 4

[Open letter to Istvan Csurka, editor in chief of MAGYAR FORUM and a National Assembly member, from Istvan Elek, Hungarian Democratic Forum, MDF, parliamentary representative: "On the Damage Caused by the Exclusionary Nation Concept; Open Letter to Istvan Csurka"]

[Text]

Dear Pista!

I read your most recent "On Location" broadcast in MAGYAR FORUM (21 February 1991). If I were in a mood to argue only with what you had to say, this alone would provide sufficient cause for me to address you. But I have an even more important reason than that: the quiet expansion of a political culture in Hungarian political life which gains an extreme, and therefore perhaps rather graphic expression in your statements and arguments.

Last weekend the Alliance of Free Democrats announced that it has changed from regarding itself as the opposition to becoming the enemy, that it would endeavor to make the cabinet fail albeit by constitutional means, and that it was ready, or perhaps that it was preparing to take charge of governing. I would be telling a lie if I said that

I did not even blink an eye; on the other hand, I did not feel a sense of despair, either. After all, this possibility is always in the cards in a political democracy.

Not to mention the fact that had we relied not only on words, but also on actions, we could have raised doubts before about the unequivocal nature of earlier SZDSZ [Alliance of Free Democrats] statements. The least we should have surmised was that the SZDSZ has been struggling in a confused role, that it was uncertain about, and wavering between the extremes of opposition role playing.

In my view, all we are witnessing now is that the SZDSZ appears to be committing itself to make the cabinet fail. Even though I feel that this is a mistaken step. It is mistaken from the standpoints of both their party and the future of Hungarian democracy. But this is not the issue at the moment. The decision in this regard is primarily their responsibility after all. At issue is how we react to this step.

I can understand your emotions, even though I do not approve of, and do not share them. To the contrary: I find it impermissible for us to allow emotions to guide our political positions.

You say that the SZDSZ announced its claim to take over the government at this time because it was concerned that "irrespective of the extent to which the cabinet's hands were tied, as long as it remained in place it would sooner or later gain strength, recover and lead the country out of the crisis. This would permanently doom Bolshevism, cosmopolitan attitudes, foreignness dressed in liberal garb, and the practice of treading on the nation, as well as the continuous left-wing and communist rule in Hungary that existed ever since the 1945 Soviet conquest. At that point the Christian middle strata would still establish a Hungary that belonged to Europe. And if that happened, a situation in which the Hungarian ethnic unit was placed in a final state of defenselessness would never occur; Hungary would continue to belong to Hungarians and the borders should not be opened to all kinds of new immigration."

In my response to Miklos Szabo (SZDSZ) published in MAGYAR HIRLAP a few weeks ago I wrote that I was dumfounded by their analyses which suggest to the public that the Hungarian Democratic Forum, the coalition and the cabinet were nourished by the spirit of the Horthy era, by the political conservatism of the 1920's Bethlen cabinet. Moreover, according to some, the MDF [Hungarian Democratic Forum], the coalition and the cabinet were downright flirting with the spirits of Gombos and Imredy.

I must repeat to you what I wrote to them. I was amazed to read your writing. I am suspiciously analyzing myself. Am I the one who is abnormal? Did something happen in the background I failed to notice while I tried to pursue my business? Could it be possible that these words were written by a prominent personality of the party of which also I am a member? Of a party which proclaimed in its

election program that "it addresses people as individuals and as moral beings, it wants to achieve a situation which lifts us out of our humiliated sense of decency and of our injured sense of being Hungarians into a civil situation in which nationality, origin, religion, outlook, and party belonging are neither merits nor sins, but are instead the natural state of individual beings?"

Could it be that the words I now read in MAGYAR FORUM were written by the same Istvan Csurka who was present with me at Lakitelek when we established the MDF in 1987?

Are you aware of what you are saying dear Pista? Did you indeed want to say that the SZDSZ was the beholder of "Bolshevism, of cosmopolitan attitudes, foreignness dressed in liberal garb and the practice of treading on the nation," and that the SZDSZ' assumption of power would mean that Hungary could no longer belong to Hungarians? Did you know that the Hungarian ethnic unit could be placed in a final state of defenselessness?

An exclusionary nation concept based on ethnic foundations is radiating from your words. This ideology demands little from the intellect, nevertheless it is rather dangerous because at one time it tried to discredit the political opponent by simultaneously calling it liberal and Bolshevik, and mainly by characterizing it as alien to the nation.

These ideas and this outlook are unacceptable to the MDF. They are unacceptable both morally and from a political standpoint.

As an aside, as long as these statements reflect your view, you claim no less than our inability to entrust ourselves to the institutions and rules of the parliamentary democracy we jointly established. You are saying that in today's parliamentary system of ours there is no common denominator on the basis of which competing parties could provide mutual alternatives for governance. It should be obvious that this system was not a good system as long as the normal functioning of parliamentary democracy in Hungary could lead to tragic consequences of the kind you described in order to deter us.

However, this also suggests that instead of the opportunities provided by a parliamentary democracy we should use some other means and methods. This system is based on parliamentary crop rotation. It came about as a result of a consensus. It cannot be substantially changed by democratic processes without the concurrence of those whom you would like to exclude from the opportunity to govern.

In other words, I am unable to follow you on this path, and I am convinced that the MDF cannot either. This path could only lead to the destruction of the legitimacy of parliamentary democracy. And to the tearing up of that certain net of confidence which must also link political opponents in the parliament in order to enable the functioning of democratic institutions. Sufficient



passion and will exists in society which unintentionally or purposely works against the functioning of democratic institutions. A parliamentary representative who encourages this trend is a victim of political blindness. I am afraid, dear Pista, you did not think through what you were saying.

While we object to charges, and are intent on convincing those who accuse us that their claims about our desire to exclusively represent the nation are groundless and unfair, there you come and claim that governance by the SZDSZ would equal a reign of a foreign character and would tread on the nation. Just how do these things make sense? You claim that with the departure of Pozsgay "everyone" who bore a trace of national commitment had "either become weaker or has departed" from the SZDSZ, the MSZP [Hungarian Socialist Party], and the Hungarian Socialist Workers Party.

While quite a few of us labor on demolishing the enemy image, which you and your soul mates at the SZDSZ largely built, in order to establish a normal atmosphere for work, governance, and coexistence between the ruling parties and the opposition, there you come and draw the brilliant conclusion that the SZDSZ and the MSZMP [Hungarian Socialist Workers Party] are allies. This conclusion of yours is based on the empirical finding that both of these parties harshly criticize the government, and that both parties predict the failure of the cabinet. Moreover, with your well known grandiose attitude which favors the use of metaphors you talk about an SZDSZ-MSZP-MSZMP military leadership. And you predict that under the liberal democracy label they jointly intend to restore the rule of the former communist nomenklatura.

Doesn't this include a bit of exaggeration?

You state that Janos Kis and Gyula Thurmer receive information from American intelligence concerning the Hungarian reality. What should I say? I am breathless. Are you sure that the MDF should build its American relations by making such statements?

Another matter is why do you feel that as long as the cabinet remained in power "the Christian middle strata would establish a Hungary that belonged to Europe?" In my view this process of establishing a Hungary that belonged to Europe is somewhat more complicated than what you claim. Irrespective of the cabinet, we either establish a Hungary that belongs to Europe jointly, including Christians and non-Christians, middle and other strata, or we will not establish a Hungary that belongs to Europe in any other way.

Equally, I do not understand why a historic initiative like the Visegrad meeting should be "clearly tied to the names of Antall, the cabinet and the Christian coalition." That initiative is tied above all to the name of Hungary, to Hungarian democracy, complete with its ruling party and its opposition. And then, naturally, also to the Antall cabinet and to the coalition under whose governance this step was taken. I do not believe that the

joy I felt as a result of this event would rule out the possibility that had there been a SZDSZ-lead government in power, if I may dare to make this assumption, a similar initiative would have taken place. I could go on and on, but let's leave it at that.

I committed myself with a heavy heart to write this letter. But I could not avoid the challenge your article meant. I owe this to my own self-esteem and to the spirit and program on behalf of which we all agreed to play a political role.

I sincerely believed and have so stated for quite some time because I had reason to so believe that the view which held that the end justified the means was alien to the MDF. For quite some time I restlessly observed a situation in which we slowly drifted into an ignoble struggle with our strongest political opponent; a struggle in the course of which we mutually evoked the worst of our abilities instead of contributing to the establishment of solid moral foundations for our politics by adhering to the recognition that the idea of the end justifying the means was alien to the MDF. The large number injuries that piled up, the many intentional and unintentional unfair statements that were made relative to the other party created a political culture by now in which an increasing number of individuals on both sides felt that the stupidity of the other relieved them of the obligation to abide by their own standards.

I regard this as sad and as cause for despair. Don't you think I'm right?

Istvan Elek, MDF parliamentary representative

### Csurka Disputes Charges of Anti-Semitism

91CH0628B Budapest MAGYAR FORUM  
in Hungarian 14 Mar 91 p 11

[Article by Istvan Csurka, editor in chief of MAGYAR FORUM and a National Assembly member: "Response to Istvan Elek"]

[Text] I decided months ago not to respond to attacks which label me an anti-Semite. However, I must make an exception in the case of this letter in which Istvan Elek applies the term "exclusive nation-concept" to me.

There are three reasons for this.

The first reason is that the letter does not state clearly what it wants to say; instead, it uses a jargon, developed under the past regime, which is understandable only to the initiated. Exclusion? Whose exclusion are we talking about? Perhaps we are talking about that of the Slovaks? Or are we talking about excluding that Hungarian ethnic group, which in no way comprises the nation any longer, out of that nation which can not be defined or imagined in terms of blood, which exists in the hamlets of Bekes and the villages of Gocsej? No; when an individual, once called nationalist and more recently populist, is given the label of exclusive nation-concept, he is accused of

attempting to exclude Hungarian Jews. Thus, the first reason for my answering this letter is that the attack is underhanded. It does not take advantage of the freedom of speech, accorded by democracy, and does not speak openly. This is intolerable, coming from an MDF [Hungarian Democratic Forum] deputy.

This leads me right to the second reason: The attack comes from within our ranks. It might create dissension within the MDF. That could raise the threat of undermining the fragile and imperfect order which, after all, exists here, and which was created, after all, by the MDF receiving a mandate from society to manage Hungarian-dom's new system.

In this regard, a regrettable concession has already been made: After the elections, the MDF made a pact with the SZDSZ [Alliance of Free Democrats]. As a consequence, since that time the transformation is not proceeding along the MDF's original plans, but rather an intermediate compromise is brought about on all issues. Many people confuse this with something referred to as national consensus, which does not exist exactly because it could be formed only following conflicts. If this process is continued with the deterioration of the MDF, then the entire transformation, begun last year, may take a turn diametrically opposed to the will of Hungarians.

Simply put, the Hungarians will continue to have no will of their own.

This is the goal of those forces which, one way or the other, were left out of exercising authority.

The third reason compelling me to speak is that even though this attack comes from the inside, it was instigated from the outside. It was started by Janos Kis, when he proclaimed the "constitutional" intent to oust the government. As a direct consequence of the pact between the two parties, the only way this government can be constitutionally ousted is by creating a rift within the MDF.

The "populists" who have formed the MDF's mainstay have long been subjected to attacks. Now, at the conductor's gesture, the fire has become more intense.

Let us examine the facts in their order. Istvan Elek claims that my exclusive nation-concept was revealed when I wrote these lines: "If this government survives, no matter how much its hands may be tied, sooner or later it will gain strength and recover; and when that happens, there will never be a chance in this country for bolshevism, the cosmopolitan spirit, foreign rule, and nation-desecration dressed in liberal rags, the leftist and communist dominance continuously alive since the 1945 Soviet conquest.

"If this happens, it will be the Christian middle strata that will create a Hungary that is part of Europe. And if this happens, then Hungary will continue to belong to Hungarians, there will be no possibility to open the

borders to sundry waves of immigration, and the Hungarian ethnic community will never be defenseless."

According to Istvan Elek, these words contain two kinds of exclusivity: one aimed at ethnic groups and one aimed at political parties. Elek claims that anyone who wants to prevent Hungarians from becoming fatally defenseless in Hungary, their central region of existence, anyone who wishes to see the nation's christian middle strata to create a new Hungary and a new democracy, and thereby assuming leadership in this new society, also has aspirations to exclude.

Of course, this is not the case. Hungarian Christian middle classes, once they unite and create the Hungary in which ethnic Hungarians will survive, do nothing more than fulfill their mission; by assuming the leadership role (which is quite distant an achievement), they exclude no one, but simply use their natural, historical rights.

It is clear, at the same time, that the system created by Hungary's christian middle classes could be exclusive in nature; but not because it was created by these strata of society, but because it was compelled to become such, perhaps by external forces. We have already seen examples of this.

As a politician who has received some training in political science, Istvan Elek ought to know that a historical act of creating a system, which we are now facing, will necessarily be accomplished under the leadership and control of a certain interest group, class or elite. Of course, all the while we can produce speeches and articles about liberalism and exclusion, but this will have no effect on real events, because in life, in nature as well as in society, direction is always defined by organizations that are better organized and forces that are more practically united by their interests. There is no history without excluding someone. And the most severe cases can occur during liberal periods.

What am I doing, then, when I state my desire that here and now, in view of Hungarian society's disadvantaged position, it is the Christian middle strata of Hungary that ought to define the direction? What am I doing? I am doing my duty. In other words, I exclude no one; rather, I am simply proposing that the leadership role ought to belong to the country's largest ethnic group, which also represents the most profound historical continuity. The group, that is, whose members accept the responsibilities, and Hungarianness, of Hungary's christian middle strata.

This view is contended from several directions; most vehemently from the liberal and leftist corner, from the part of Hungary's Jews and their ideologues. They see the terms 'people, ethnic group, and christianity' as expressions associated with nationalist efforts, and they feel that demanding a leading role for Hungary's middle strata as tantamount to anti-Semitism. Two entirely different matters are skillfully merged here: The manipulators claim that excluding someone from leadership

role, or rather not automatically according such a role to someone, necessarily means that the same person is excluded from the nation, and is relegated to the status of second-class citizen.

What no one talks about are the conditions of belonging, such as the criteria of accepting or rejecting the values and national aspirations of this middle strata. Do certain individuals wish to compel the middle strata to prescribe to certain values, which is not the same as excluding someone, but it is not an ethical practice? We could even refer to it as aggressive.

In other words, we are talking about a struggle for power. If the new Hungarian society is not created under the leadership of christian middle strata I addressed, and those could include Hungarian Jews, as well, who share fundamental aspirations (for after all, the term christian here does not signify religious commitment, but a form of Europeaness), then it will be created under the leadership of another group, governed by another organizing principle, and not influenced by considerations of ethnicity and populism, or by the historical continuity unbroken since the conquest.

What I have said thus far has little to do with present day Hungarian reality. Not only does the aforementioned Christian middle strata lack governing authority, but their dispersal, which has been going on for 40 years, continues, and now after the MDF's election victory, all that was created is an opportunity to reorganize. All that has happened thus far is that Hungarians came to have an opportunity in their own homeland.

The dilemma for me is how to take advantage of this opportunity:

1) We must create middle strata that is able to assume leadership and operate along the quality lines established by Laszlo Nemeth.

2) We must engage in combat those who want to see things happen differently.

Both tasks require clear vision. We must name names, and point out divergent motives. We must rise above the fog of hypotheses. This brings up the second part of the issue, namely that I wish to exclude a party, the SZDSZ, from parliamentary democracy, thereby going against the spirit of our jointly accepted fundamental principle, and injuring our own party, the MDF.

This is almost, but not quite, true. After all, we should first ask ourselves, did that certain something, from which I wish to exclude the SZDSZ, come into being. Was parliamentary democracy born by the simple fact that six entities, declaring themselves political parties, ended up in the National Assembly as a result of free elections? Only in part, and primarily in the formal sense.

To begin with complete democracy did not come into being even in the National Assembly itself. After all, that

body was not even able to formalize its own multiparty-based operation, and thus far could not create a new set of House Rules.

A new Constitution does not exist either, only a modified version of the old. Important fundamental laws, created by the National Assembly of questionable legitimacy during the previous one-party system, specifically for the benefit of its own self-created elite groups and designed to assist in their present attempts to acquire benefits, have not been eliminated from, or even redesigned in the quasi-laws, such as the law on associations. These fundamental laws are in effect, and they exert their influence in opposition of the christian Hungarian middle strata gaining power. In other words, right now exclusive tendencies of an opposing nature are at work.

In addition, we cannot say that we have a complete new Hungarian democracy and parliamentary, from which it would be a sin to exclude anyone, because this National Assembly and this government that is responsible to it cannot live with the authority that was given it by the recent elections. What I mean by this is that the apparats inherited from the past are only quasi-loyal to them. The most that can be expected of these apparats is for them not to work openly against the new government. Furthermore, democracy and parliamentary system are not complete because the press and organs of mass communications are operating, as a nearly unified whole, in the spirit of the past regime, and their actions are consciously aimed against the present government. Is not that an exclusivist effort, Istvan Elek?

Now, if this were the case, and this is the case, then what is the harm in inquiring if one of the players in this quasi democracy and this quasi Parliament is really what he claims to be, or something else?

After all, was not there in this country a party which participated in parliamentary life only in the formal sense? In a situation similar to today's, subsequent to an election that was won by a similar margin by the party of the national middle strata, was there not a party that was something else that it claimed to be until the time it assumed complete power?

Am I obliged to believe that something is what it claims to be, even though yesterday it claimed to be something else, and its actions show it to be something different? If there was never a party in this country that worked on behalf of alien, outside interests, if it did not follow from the geographical position of the Hungarian nation that such parties, commanded from the outside, always existed, then my suspicions could be called pathological.

However, does it mean that just because there were parties formed in this country to represent German and Russian interests, there would be similar parties now when spheres of interest are being altered? No, it does not. It is conceivable that now, as we are backing out of the Soviet sphere of influence, primarily because of its loss of strength, we would come to fit into the other one, the one led by America, while it would not even wish to

have its interests represented in Hungary by one party, and thus, no such party would come into being.

In reality, however, things did not work that way. Because, just as the past decade of Soviet-American contacts featured an issue nearly as important as the limitation of the arms race, the question of Jewish emigration to Israel, so the contacts between Hungary and the United States have a similar thread: One of the influential lobbies of United States policies continually inspects the situation of Hungary's Jews, the largest such community in Central Europe. In the case of Hungary, such a monitoring even has a moral basis: When Hungary was part of the German sphere of interests, and parties representing such interests were operating in this country, Hungarian Jews were labelled, deported, and massacred, abroad as well as at home. It is not difficult to recognize that one of the American policies' major aspects is connected to that of Hungary's in this regard. In a Central European country where the largest number of Jews survived after the war, and where therefore, long-range protection of Jewish interests makes good sense, official American policy simply cannot afford to support a political force which could even be suspected of harboring anti-Semitic tendencies.

The pro-Israel, that is pro-Jewish, stand of American policies was pointed out by Sheik Jamani's interview given in the third week of the Persian Gulf war. Sheik Jamani is a faithful Moslem, with wealth around \$1 billion, who presently lives in Switzerland, said this, among other things, in the interview: "The problem is that the Israeli partner does not want to negotiate, since it is not interested to see changes in the status quo, which negotiations and a peace treaty would bring about; on the contrary, it settles immigrants in the occupied territories, thus wishing to turn it into Israeli property. If the US exerted pressure on Israel, the latter would be compelled to negotiate and accept changes in the status quo. However, the government of the United States is very weak when it comes to Israel. This is because the Zionist lobby rules the Congress, the mass media and the world of finances. Thus, no U.S. president is strong enough to exert pressure on Israel."

The terrific demonstration of power during the Persian Gulf war seems to support the Sheik's cool and unemotional words.

The responsible political circles of Hungary are aware of this. Since the elections, the most important effort made by Jozsef Antall, the MDF and the government he is leading has been to convince American policymakers of their reliability and respectability in this regard. This is why they made an agreement with the SZDSZ, which was first to gain the sympathy of Americans. Now, the MDF even has to abandon its original program toward this goal. At the same time, leaders of the SZDSZ expand their American contacts by making claims about the anti-Semitic nature of the MDF and the present government, at times even spreading falsehoods.

Thus, the leaders of the SZDSZ have considerably greater influence than it appears. Such influence could even come to resemble blackmail. The administration could be weakened to the point that it would become quasi-powerless, and it is even conceivable that a political party tricks an opposing party into implementing its program.

This brings us to the basic question: What does all this have to do with liberalism? In other words, why is one called an anti-Semite when one sees things differently, and declares that the Emperor has no clothes, that things are not substantially different from the foreign-imposed party authority of the previous era? At least when it comes to the nature of authority, because, of course, the political center is quite different.

Why would anyone pointing this out be an anti-Semite?

In Hungarian society, Hungarian interests should have priority. The genuine demands and interests of Hungarian people cannot be excluded from this. No partial interest or group interest can be placed before these great, communal and historically justified interests; not even if supported by the presently greatest power of the world.

In other words, the issue is not that we wish to exclude someone or some people from the body of the Hungarian nation, but rather that I consider it my preordained duty to point out that the new regime, the order that is now being formed, will not be an order and will not be good if, once again, a group will obtain power that relies on the strength of an outside authority, even if that authority happens to be much more desirable and acceptable than previous ones.

As for myself, I have lived through the past year since the elections by seeing that some individuals constantly tried to exclude me. They raised a flood of inconceivable calumnies against me, for the reason that I have outlined the above points as early as 1988, and perhaps because the leaders of the SZDSZ need enemies in order to realize their program. As an anti-Semitic bogeyman, I was inherited by the SZDSZ from the staff of Aczel. Istvan Elek might have a point when he advises me not to transfer all of my anger from the predecessor to the successor. But what can I do when I see that the Hungarian masses, inheriting worries and troubles, are accorded an extra burden by inheriting these inheritors as well.

#### **Historian Claims Excessive Jewish Influence**

*91CH0531A Budapest TALLOZO in Hungarian No 12, 22 Mar 91 p 546*

[Interview with Ferenc Kunszabo, editor in chief of the magazine HUNNIA, by Henrik Havas; place and date not given: "The Mafia Put Me Here"; transcript of the television program "Kinn, Padon" [Outside, on the Bench] of 13 March—first paragraph is TALLOZO introduction]

[Text] Ferenc Kunszabo, as he has said, has literally been on the rack, but even then, those who dragged him there were the ones who were humiliated. Henrik Havas talked with the HUNNIA magazine series' editor in chief Kunszabo, and the editor was Tibor Udvarhelyi.

[Havas] Your name, which signified an important book to me, *The Altar Is Burning*, a book on Szechenyi annotated by Ferenc Kunszabo, appears nowadays under articles such as "The Sumerologist Has Anti-Semitic Utterances." How did you get into this situation?

[Kunszabo] I did not get anywhere; for 59 years, since I was born, I have been the same. Those who wrote the article dictated and drafted it, they are the ones who arrived at this very dangerous point of view.

[Havas] But what would be their reason to create such a situation?

[Kunszabo] Look, we do not have to go too far back in history. In 1945, a mass genocide of Hungarians was initiated in Hungary, indeed in the Carpathian basin, even beyond the borders. Hundreds of thousands were physically massacred, and more than a million were driven out of their native land.

But the intellectual genocide of Hungarians, which is still going on, is much more dangerous. For decades, Hungarian intellectual life has been in the hands of a mafia that is alien to man and nation. This mafia put us two here now, and then, if you like, I am not the only one who sits "Outside, on the Bench," but you, too. And it is this mafia that decided to revile the Hungarian spirit on a daily basis.

[Havas] What does mafia mean? An organization or a few individuals rallying around an ideology?

[Havas] I am not very familiar with this mafia, but I have felt its presence for decades. For instance, there appeared in the MAGYAR HIRLAP an insult to Hungarians: "Our Holy Crown gradually shrinks until it becomes a beret." This is libel against the Hungarians. This is an insult to Hungarian national self-esteem. For this you will not put anyone on the rack while I, however, am because of a bunch of lies that someone wrote about me in a two-page letter.

[Havas] The HUNNIA magazine, of which you are chief editor, is in my hand. I saw a cartoon in it. In one of the JANKO BORSSZEM's 1905 issues, a Hungarian warrior dressed in leopard skin is putting on a sign that says "Spitting Not Allowed" in the church of national genius, and one of two men, who are apparently Jewish, says to the other: "Let us leave, little Absi, this pub is not for us." How did this 86-year-old cartoon find its way into a paper published today, and what is its meaning or message?

[Kunszabo] It found its way because we put it in, and the reason we put it in was that we felt it was timely.

[Havas] In what respect?

[Kunszabo] Well, there are such phenomena even today. You have no doubt read Istvan Benedek's article in the HUNNIA's January issue. Anti-Semitism is aroused and perpetuated throughout the world by an aggressive Jewish group. This is what Benedek described. But this is not the HUNNIA's main topic. The HUNNIA is published monthly on 68 pages, one of which was allotted to the BORSSZEM JANKO, and one to Istvan Benedek. The word Jew does not even appear on the remaining pages. Characteristically, only these two pages were picked on, to use Budapest slang, without any mention of the other 66 pages.

[Havas] Talking about berets, a letter written to Chief Rabbi Alfred Schonher was published in issue 16 of HUNNIA. In this letter the beret is mentioned again. According to the author, the president of the SZDSZ [Association of Free Democrats] said at a general meeting in Komarom that representatives debated whether a beret should be put on top of the Kossuth emblem. The open letter goes through a train of thought, the essence of which is that had the audience in Komarom a healthy sense of Hungarian identity, the speaker would have been pushed off the platform. Had an assimilated Arab used such a defaming expression in Israel, he would have been beaten hollow. And, then, comes the conclusion, the 40 years have eradicated the sense of Hungarian identity from the Hungarian people.

[Kunszabo] Yes, that is correct.

[Havas] But what I just cited is an open invitation to beat a politician called Janos Kis hollow if he says such things.

[Kunszabo] It is possible that this is how you interpret this. The way I interpret it is that the Hungarian ideal has been rubbed out of Hungarians and, thus, they tolerate without a word any kind of calumny against Hungarians.

[Havas] What should have been done?

[Kunszabo] He should have been pushed off the platform when he abused one of our most sacred national symbols.

[Havas] I do not know what Janos Kis said, but I am afraid of the idea that, on the basis of a sentence and without considering the context and the train of thought, someone would threaten to beat a politician senseless or would find such a thing proper. This fills me with fear.

[Kunszabo] What fills me with fear is that Janos Kis, president of the Alliance of Free Demagogues, still has not been called to account. No one denounced him, no one sentenced him.

[Havas] What do you think is the reason that a Jewish mafia exists in Hungary?

[Kunszabo] I did not say that. You are saying it.

[Havas] Then elaborate on it, please, because I did not quite understand it.

[Kunszabo] This is a communist-cosmopolitan mafia which has been working for about 200 years throughout the world, or let us say, throughout North America and Europe, against morality, against fundamental human values, such as the family, conjugal fidelity, religion, human perseverance, and honor. This mafia was given unlimited power in 1945 when Hungarians were helplessly laying on the ground. At that time, they worked in communist colors, loyal to the Soviets. Now, at the end of the 1980's, they rapidly changed into cosmopolitan colors, loyal to New York. But the same people are doing the same thing.

[Havas] I am not sure what formal or informal system you suspect exists between the executive power, the press, and the mafia. How do you think such a mafia can operate a country, a mentality, a public life, going all the way down through the state structure?

[Kunszabo] We can see how it works. After 43 or 45 years of communist rule, the main stock of Hungarians living in the mother country rejected communism, right? It made a pledge to the European, democratic, national liberal variant. This is the Antall administration, the coalition. It is being attacked every day, in science, in culture, in the arts and, primarily, on television, by the mafia that is independent of the government. At the end of the 20th century, power belongs to those who own television.

[Havas] You say, then, that TV and the Hungarian press belongs to the mafia?

[Kunszabo] Yes, 90 percent of it.

[Havas] Am I also a member of the mafia?

[Kunszabo] Look, I do not know, I have not seen your membership card, but your programs clearly indicate that you serve their interests.

[Havas] Look, I have no problem with you saying to my face that you think I serve the mafia with my programs. Where do you get the idea that any kind of informal and illegal connection exists between journalists, to control us?

[Kunszabo] Look, I do not know who has a membership card and who does not, what I am interested in is what is being said, what is being attacked, what is being glorified, and by whom. I have been teaching my children for decades about who is bad and who is not. I usually say, and have been saying for decades to look, watch out for this person who elicits unending raves from the Hungarian Television and the unqualified awe of the reporter. If someone is being cut down by the Hungarian Television, then think about the possible valuable human traits of that person because he is being cut down, because he is being ridiculed. This is the basic formula. It is good for getting one's bearings. It is clear and evident that most of the staff of the Hungarian press, radio, and

television are decent people. I do not want to strike my cue, right? But, then, they are victims of communist-cosmopolitan delusions, and through these they can be controlled.

[Havas] How is it possible that your program's goal is to eliminate all Hungarian parties? You are not even satisfied with the MDF [Hungarian Democratic Forum]? The MDF won, representing the line you agree with in your magazine, i.e., the line you agree with more than with anything else, and still, you proclaim that the Hungarian parties must be liquidated. You proclaim the third fellow traveler solution. Why is what we now have not good?

[Kunszabo] It is not good because, for instance, Hungarian political life is under the control of a mafia that is alien to the nation....

[Havas] Even the Antall administration?

[Kunszabo] Oh, yes, to the largest extent possible! Sir, when last spring the Antall administration failed to return national television, radio, and the press to the nation, it must have realized its collapse. Well, now, to answer your question, because you again did not phrase it right. I did not set the goal of eliminating the parties, not at all! I assume that my study entitled "The Country Is In Danger!" published in January, suggests action. More than 100 years ago, Szechenyi wrote that Europe was destroyed by partisanship. He wrote this in the past tense because this partisanship set the goal of fostering hatred, opportunism, and divisiveness in society. Thus, what I recommend to my readers in the spirit of Szechenyi and Dezso Szabo is to notice what the world's process is. The one-party system is as bad as the multiparty system; the multiparty system is as bad as the one-party system because the party system is bad. The Hungarian nation, most of the Hungarian electorate, showed last fall in Hungary that they do not want any part of a multiparty dictatorship either, thank you. My last sentence is: This is why I recommend that we seriously consider the recommendation of Istvan Szechenyi, Dezso Szabo, and many other great Hungarians to build an integral society without any party.

[Havas] Thank you very much. I am extremely happy that you were able to get about 20 minutes to express your opinion rather freely in this television that is under the mafia's control.

#### **Legal Steps Against 'Anti-Semitic' Journal Seen**

*91CH0591A Budapest MAGYAR HIRLAP  
in Hungarian 22 Apr 91 p 3*

[Article by L.K.: "Sandor Nyiri on Anti-Semitism Expressed in SZENT KORONA: Banning Takes Place Only After the Judgment of a Court"]

[Text] Coarse, anti-Semitic statements contained in the article "Reconciliation!" published in the latest issue of SZENT KORONA once again were suited to stir emotions. It appears that Laszlo Romhanyi's newspaper

cannot be swayed by a court hearing scheduled for May or by another investigation ordered last week because of the the path that it has followed thus far. Our view (published on page 7) is as follows: The prosecutor does not rest despite the debate involving the creation of the press law.

"The Constitution establishes limits for the freedom to express one's opinion. Whoever fails to recognize this may count on criminal proceedings as frequently as on a weekly basis," Deputy Supreme Prosecutor Dr. Sandor Nyiri announced in response to our question.

The Criminal Code of Laws is only one of the possible vehicles that can be used. In the prosecutor's opinion, endeavoring to render impossible the activities of newspapers like this with the power of the press and of publicity, is at least as important. This country hardly needs such newspapers. But for the time being, no one could do more than that because present opportunities are limited to the prohibition of circulating such newspapers. It is too late to take this step. Presently, there exists no authority by which officials could look into the pages of subsequent issues prior to circulation because censorship has not been authorized, even with respect to cases like this.

Nyiri said that based on the press law presently in force, other measures, such as banning the newspaper, could take place only after a court pronounced an affirmed judgment. Accordingly, if the court found Laszlo Romhanyi and his associates guilty of the crime of incitement against the community, and unless the newspaper's policies changed, action to prohibit publication of the newspaper would be initiated. To accomplish this, the prosecutor's office would have to petition a civil court which would then be authorized to decide the future of the newspaper.

### TV President Hankiss Rejects Charges

91CH0551B Budapest MAGYAR HIRLAP  
in Hungarian 10 Apr 91 p 4

[Article by Elemer Hankiss: "Reply by the President of Hungarian TV"]

[Text] An article on Hungarian Television appeared in the 4 April issue of the MAGYAR HIRLAP. My problem with that short article is that, on the one hand, it uses journalistic means that are unacceptable in a decent paper and, on the other hand, seven of his seven facts, that is, his statements, are false.

It is unacceptable that the article's title, printed in huge letters, proclaims far and wide that an investigation at Hungarian Television is underway, and then makes the impression that this investigation is connected to the high salaries of the intendants, i.e., to something not entirely correct. True, at the end of the article, after imprinting suspicion in the reader's mind about MTV [Hungarian Television], the writer makes a cautious

comment that "the State Audit Office has been examining MTV's business and finance records since January" (when neither the intendants nor their salaries existed). But his information is incomplete here, too, thus arousing suspicion. He does not talk, perhaps he does not even know, but why did he not ask about the fact that it was not the prime minister who sent the State Audit Office to us, but it was I who asked him to have the State Audit Office review MTV's business and finance records?

The journalist's information, in connection with the fact that the State Audit Office is examining not only past but also present records, is also malicious and false. This is not a "lucky coincidence," i.e., we were not caught in some "trickery" thanks to some lucky accident, but rather, I was the one who asked the director of the State Audit Office to look not only into the past two years but to also help us in the present difficult period of transition. Our institution's staff members can testify that we continually provide them with all documents related to our transformation, including those which have no financial references. We do this because their observations and questions are very important to us. We do not want to hide our problems, we want to solve them.

The figure that the journalist quoted in connection with the salaries of the two intendants are also false and, I am afraid, not accidentally. In truth, their salaries are much lower. But I do not want to fend off this question just by saying this much; the public has the right to know about this. Let me talk about it more in detail.

When I enlisted the program's two intendants, I had to decide on the following: either to keep them within MTV's hierarchy and allow them to accept special assignments, work overtime, prepare programs, and be on the air to earn as much as they have been earning previously, or to give them salaries commensurate with their 1990 salaries to begin with so that they can use all of their time to build and run the program. In MTV's interest, I decided on the latter. The intendants signed a contract stating that they will not engage in any other television work in addition to their duties as intendants, or rather, if they do occasionally prepare another program or go on the air, they will not be specially remunerated. In my opinion, this is a decent solution which is also in the interest of MTV. To my knowledge, the intendants applied this same principle in their contracts with their leading staff members, with the difference that several staff members accepted lower salaries as compared to their 1990 pay.

I am aware that the salaries thus determined are still unusually high in the world of state institutions. But:

1. In the world of television and film, both in Hungary and throughout the world, salaries were always higher than in state institutions.
2. I selected the new leaders not on the basis of who had a low salary but on the basis of who the most suitable person was for the extremely difficult tasks that we

faced. I could not ask them to do this 12-to-14-hour daily work for lower pay (although, as I mentioned, some of them voluntarily accepted a significant decrease in their pay).

3. MTV's future depends to a great extent on the performance of the two intendants. It depends on whether in the coming five to 10 months they will be able to transform this bureaucratic and wasteful television that has been worn out with age during the past decades into a competitive and dynamic television of European quality. If we succeed, not only Hungarian society but, hopefully, all MTV staff members will also benefit. If we will not succeed, all of us will lose. (I note only in parenthesis that my own salary is strictly within the category of public officials.)

The paper's statement that "already in the first quarter, an excess of 250 million forints were spent on salaries at MTV" is completely false and discrediting. We will exceed the annual budget only by paying the 20-percent salary increases retroactively from January as demanded by the trade unions.

The journalist writes disapprovingly about "one channel cajoling people away from another channel" although what is happening is that, during the course of the extensive transformation of MTV's internal structure, people finally can work at jobs where they are needed and appreciated and where they can make use of their professional expertise.

Without being adequately informed, the journalist takes objection to the so-called central staff. Had he thought about it, he would also recognize that hundreds of people lose their original jobs during such an extensive structural transformation and that a few months may be needed for them to find their place in the new structure. A few TV Hirado staff members were also on this parking lot for a few months.

I will not reply here to the accusations in connection with the TV Hirado save one. The journalist's informers complain that "the MTV's president approved only half of the bonuses offered to staff members who participated in preparing the special TV Hirado during the Gulf crisis." TV Hirado's special programs were run for one or two days during the Gulf crisis. For this work, the TV Hirado's chief editor recommended special overtime bonuses, amounting to between 10,000 and 40,000 forints, for the leading staff members. I think also that half of this sum handsomely paid for their work.

Finally, I find it unacceptable that there was not a single issue in which the writer of the article listened to what the other party involved in the facts and accusations had to say. This did not help in enhancing the reputation of the Hungarian press and his own paper. Although it serves as his excuse that he had made an appointment with my secretary, he could have waited for us to call him back. I believe that a delay of a few hours or even an entire day would not have hurt the article. It would perhaps have made it better.

## POLAND

### Massive Media Privatization Effort Detailed

91EP0474A Warsaw GAZETA WYBORCZA in Polish  
30 Apr-1 May 91 pp 12-13

[Article by Anna Bikont and Lukasz Ramlau: "Landscape After Liquidation"]

[Text] The largest ever privatization so far in Eastern Europe, that of RSW Prasa-Ksiazka-Ruch [Workers' Publishing Cooperative] is about to be completed. This giant concern owned 170 periodicals, a dozen or so printing plants, and a ramified distribution network employing nearly 35,000 persons. Since last year 70 periodicals have already been auctioned off, another 70 transferred to worker cooperatives, eight transferred to the State Treasury, and 20 have not yet found a buyer. The prices: from 100,000 to 40 billion zlotys [Z]. It was chiefly the title that was purchased, because the editorial teams themselves were not worth much.

"The process of pluralizing the Polish press has failed. The RSW Liquidating Commission merely continued the past: in 90 percent of cases the orientation of the buyers is similar to that of TRYBUNA, unfriendly to Solidarity. Besides, all that RSW press is social democratic," charged Jacek Mazierski, chairman of the board of Center Accord, which the Liquidating Commission awarded EXPRESS WIECZORNY, on the "100 Questions" TV program on 7 April. "Nonsense," claims Andrzej Grajewski, commission secretary. "We replaced more than 90 percent of the managerial personnel of the dailies. Solidarity received most of the titles, and that was a political decision. We did not want to create a market of party newspapers, and sales of periodicals to political entities are exceptions rather than the rule."

### A Pluralist Commission

The results of the auction were chiefly decided by the votes of the members of the Liquidating Commission—Chairman Kazimierz Stryczkowski (a doctor of jurisprudence), Jan Bijak (POLITYKA), Andrzej Grajewski (GOSC NIEDZIELNY), Law Professor Alfred Klein (Wroclaw) (resigned from the Commission at the end of February), Krzysztof Poklewski-Koziell (PRAWO I ZYCIE), Maciej Szumowski (GAZETA KRAKOWSKA), and Donald Tusk (GAZETA GDANSKA).

Among other things the Commission voted unanimously in favor of selling DZIENNIK LODZKI to the Christian-National Union and GAZETA KRAKOWSKA to a grouping close to the Democratic Union. But in the auctions for ZYCIE WARSZAWY and EXPRESS the decisive vote was cast by four members of the Commission, and a majority of only three voted in favor of selling RAZEM to the KPN [Confederation for an Independent Poland].



### Attacks From the Left and From the Right

The activities of the RSW Liquidating Commission, a government body, have been more or less (most often more) ferociously attacked from various directions. The creation of a new political map of the Polish press was bound to arouse much controversy.

A major complication in the commission's work has been the fatally flawed Law on the Liquidation of the RSW which gives priority to worker cooperatives and hence may serve to perpetuate the status quo by transferring periodicals to nomenklatura-dominated editorial teams. What is more this would often mean relinquishing gratis assets worth many billions of zlotys.

Deputies in the Sejm demanded the recall of Jerzy Drygalski (the original chairman of the Liquidating Commission) and a draft decree voiding the results of a year of the commission's work was supported by an alliance of the postcommunist deputies with the Christian-National Union.

The commission, whose prevalent view is that most of the RSW's assets should be privatized, adopted a compromise decision: 71 titles will be allocated to worker cooperatives and 100 others, including the major dailies, will be auctioned off.

### Sealed Envelopes

Bids in envelopes bearing carefully applied wax seals were opened in the presence of interested parties and journalistic and other trade unions which could communicate to the commission their views.

Next, the commission, at a closed session, issued its verdict. What mattered was not only the price bid. The members of the commission had to weigh the various written declarations of support [by, among others, political parties] and the recommendations of journalists.

### Three Times for Solidarity

The liquidation of the RSW concern was to promote the political differentiation of the press market in Poland.

A major winner is Solidarity. The most effective victory was scored by the Gdansk Solidarity, which linked itself to the French press baron Robert Hersant and became co-owner of *DZIENNIK BALTYCKI*, the largest daily on the coast, as well as of the afternoon newspaper *WIECZOR WYBRZEZA*.

The Bialystok Region Solidarity Board acquired the ownership of *GAZETA WSPOLCZESNA*.

In addition, local Solidarity officers own shares of 20-odd percent in eight periodicals, including *GLOS POMORZA*, the Krakow *DZIENNIK POLSKI*, and *GAZETA LUBUSKA*.

### The Center Accord and the Christian-National Union Once, and the Confederation for an Independent Poland Twice

The Center Accord party bid for and got *EXPRESS WIECZORNY*, in its capacity as the Solidarity Press Foundation. It had tried to acquire this Warsaw afternoon daily even before the auction was announced, and the matter seemed prejudged already a few months ago.

A 25-percent share in *DZIENNIK LODZKI* is owned by gmina of Lodz, most of whose councilmen are members of the Lodz Citizens Alliance, which is dominated by the Christian-National Union.

However, after the coming elections to local governments, the political alignment of the Lodz authorities may change.

Moreover, the Christian-National Union lost out on its bid for *GAZETA POZNANSKA*. Deputy Marek Jurek of the Union's Poznan branch voiced his outrage at "the social isolation of and discrimination against groupings which cherish Christian and rightist beliefs," and he complained that the newspaper was awarded to a "supporter of abortion," Wojciech Fibak.

The most persistent party was the Confederation for an Independent Poland, which bid for six periodicals. It successfully outbid the others for the weeklies *RAZEM* and *MOTOR*.

The former communists from the SdRP [Social Democracy of the Polish Republic] bought the periodicals issued by the former Trybuna Ludu Publishing House: *TRYBUNA*, *CHLOPSKA DROGA*, and *ZYCIE ZYRARDOWA*, but they lost their bid for *WIADOMOSCI SKIERNIEWICKIE*.

The Democratic Union, the ROAD [Citizens Movement-Democratic Action], and the Forum of the Democratic Right did not bid.

The Citizens Foundation, which operates under the National Citizens Committee (and was founded by Lech Walesa, with Lech Dymarski serving as the chairman) lost its bid for the Koszalin *GLOS POMORZA*, the sole periodical which it tried to obtain.

### Support in Return for Influence

Most of the bids were accompanied by written declarations of support since the contest for the greatest number of most important declarations of support continued, it is hard to say which of the organizations or parties declaring their support wanted to gain influence over publishing policies and which did it disinterestedly.

In the opinion of Andrzej Grajewski, commission secretary, the latter possibility definitely predominated.

Most often support was declared by local branches of Solidarity, followed by citizens committees and local governments. Their support was not always effective. For example, the bid of the municipality of Zyrardow for

ZYCIE ZYRARDOWA was supported by the local Solidarity, but it lost out to the SdRP.

Extensive support was provided by the Center Accord party, most often ineffectively, e.g., in the bidding for DZIENNIK LODZKI, GAZETA KRAKOWSKA, the Tarnow TEMI, TYGODNIK ZAMOJSKI, and GLOS POMORZA.

The support declared by the Liberal-Democratic Congress for Semeco Company (which publishes Congress-linked GAZETA GDANSKA) did not prove decisive in the bidding for GAZETA OLSZTYNSKA. The Liquidating Commission, its chairman declared, ruled that a periodical published in northern Poland may not be owned by foreign capital (Semeco, a Swedish enterprise, wanted 100-percent ownership).

Neither the ROAD nor the Forum of the Democratic Right provided any declarations of support. The Democratic Union supported the successful bid of Zycie Press Company for ZYCIE WARSZAWY, stressing that this was the only time it provided any support.

#### **The President Was Effective 75 Percent of the Time**

Four times during the auctions Lech Walesa intervened. As chairman of Solidarity, he supported awarding EXPRESS WIECZORNY to Center Accord. His support also proved effective in the bidding by Zycie Press Company for ZYCIE WARSZAWY and by Corso Company for GROMADA ROLNIK POLSKI, but it was ineffective in the bidding by the Confederation for an Independent Poland which wanted to buy SZTANDAR MLODYCH.

#### **With the Church's Support**

Representatives of the ecclesiastical hierarchy declared their support for Czworka, a private company, which won the bidding for PRZEMIANY ZIEMI GNIEZIENSKIEJ (a periodical of the Metropolitan Curia in Gniezno). They also intervened in the dispute about GROMADA ROLNIK POLSKI, though on behalf of both sides.

Bishop of Gdansk Tadeusz Gocłowski supported the bid for WIECZOR WYBRZEZA by Olech Company, which was, however, outbid. (In his rationale the bishop wrote about the need for an afternoon daily that would provide information without sensationalism, although Olech Company had announced something different.)

The Diocesan Curia in Tarnow supported one of the companies bidding for the Tarnow periodical TEMI, whose bid, however, lost out. Also ineffective was the support declared by Bishop Ignacy Jez for the bid for GLOS POMORZA offered by the municipal authorities of Koszalin and Slupsk.

#### **The Anglers Union Versus the Mickiewicz Society**

In the bidding for the Tarnow TEMI the victorious Tarnowski Magazyn Ilustrowany Company offered 18

letters of support. One competing bidder, Liber Company, in which shares are owned by, among others, the heads of the local branches of Solidarity and Center Accord, offered 26 letters of support (e.g., from the District II Tarnow branch of the Confederation for an Independent Poland and the Adam Mickiewicz Literary Society).

The victor displayed letters of support from, among others, one senator, three [Sejm] deputies, Private Farmers [Rural] Solidarity, Association of Siberians, the Tarnow Association of Practitioners of Holistic Medicine, the Sociocultural Association of the Romanies in Tarnow, the Polish Anglers Union, the Tarnow Charitable Society, and the Polish Union of Philatelists.

#### **Bugaj and Lopuszanski**

The bid of a reporters' cooperative for GAZETA WSPOLCZESNA was supported by the signatures of 125 deputies, but it lost out anyhow. These deputies represented such parties as the Polish Peasant Party, the PKLD (Parliamentary Club of the Democratic Left), the Social Democracy, the PAX Catholic Association, and the PChS (Christian Social Union).

The winning bidder was the Bialystok Region Solidarity Board. The forces deriving from Solidarity united against the allied postcommunist forces (during the first stage the Center Accord was opposed to the regional Solidarity). The bid was supported by 115 deputies and senators—Bugaj and Lopuszanski as well as Dziubek and Malachowski thus found themselves on the same list.

#### **Score for GROMADA Almost a Tie: 111 to 112**

Probably the most tempestuous dispute was waged over the weekly GROMADA ROLNIK POLSKI; it was even the subject of special sessions of a Sejm subcommittee. This concerned the person of a leading Rural Youth Union activist, Leszek Lesniak, but in reality the dispute was not about a person but about politics. The so-called postforces [postcommunist forces] had no intention of letting go of that most influential of agricultural weeklies.

"God forbid that Senator Slisz's followers [Slisz heads a splinter faction of the Polish Peasant Party] might enter our offices thirsting for retaliation because of the pro-peasant line of our weekly," stated an article in GROMADA. A GROMADA Defense Committee was even formed, with PSL [Polish Peasant Party] Deputy Włodzimierz Wiertelak at its head.

Lesniak's cooperative was supported by 111 deputies (chiefly from the PSL, but also from the Parliamentary Club of the Democratic Left and the Polish Social Democratic Union), with the names of Teresa Liszcz (secretary of state in the Presidential Chancellery, Center Accord party), Stefan Niesolowski (Christian-National Union), and Włodzimierz Cimoszewicz (of the former PZPR) all meeting on the same list. It was also supported

by Suffragan Bishop of Warsaw Wladyslaw Miziolek, agricultural circles, the national officers of NSZZ [Independent Self-Governing] Solidarity of Private Farmers [Rural Solidarity], the Reverend Dr. Henryk Ostach on behalf of beekeepers, and writers such as Tadeusz Nowak, Henryk Bereza, and Wieslaw Mysliwski, among others.

The competing bidder, namely, the Corso Manufacturing and Trading Enterprise, linked with PSL Solidarity, was supported by President Lech Walesa and 112 deputies and senators belonging to the Democratic Union, Center Accord, and the Polish Socialist Party.

Letters of support were feverishly sent in and withdrawn. On 22 July PSL Solidarity received the support of Bishop Roman Andrzejewski, chairman of the Episcopate's Committee for the Pastoral Care of Farmers. On 7 March Rural Solidarity withdrew its support for Lesniak's cooperative. On the same day, Roman Bartoszcze (head of another splinter faction of the PSL), referring to his conversation with the president, sent to the commission a letter declaring, "It is the RSW Liquidating Commission and not the president of the Polish Republic that is authorized to decide on the winning bids." On 13 March the cooperative received the support of the Rev. Prelate Boguslaw Bijak, the church's representative for cooperation with the PSL and Rural Solidarity.

Following numerous disputes, negotiations, and high-level diplomatic talks, it was resolved that the Liquidating Commission would help the cooperative establish a new periodical, GROMADA ROLNIKOW, while Corso Company was declared to be the winning bidder for GROMADA ROLNIK POLSKI.

#### **ZYCIE WARSZAWY To Be Unchanged**

When a year ago the Liquidating Commission had appointed Kazimierz Woycicki, a former close associate of the then prime minister while both had edited the monthly WIEZ, to the post of acting editor in chief of ZYCIE WARSZAWY, many people spoke of establishing another government newspaper.

But since then the government has been replaced and the Zycie Press Company, in which shares are held by Kazimierz Woycicki and Tomasz Wolek (the latter being from the Forum for the Democratic Right), won the bid for ZYCIE WARSZAWY, besting its chief rival, the National Chamber of Commerce (together with Maxwell [the British press magnate]), and Chairman Andrzej Arendarski, an activist in the party of the present prime minister.

Woycicki was supported by, among others, the president (Undersecretary of State Arkadiusz Rybicki invited the commission chairman to the Belweder and conveyed to him the president's verbal support), the national officers of Solidarity, the Democratic Union, Deputy Minister of National Defense Bronislaw Komorowski, the Mayor of Warsaw, and the Voivode of Warsaw. Verbal support

was also declared by Jaroslaw Kaczynski (it is not clear whether in his capacity as the chief of the Presidential Chancellery or as the leader of the [Center Accord] party).

#### **No to Foreign Capital but Yes to Hersant**

In compliance with the recommendations of the Sejm's Culture Committee, Polish capital was preferred to foreign capital. For example, the highest bidder for GAZETA KRAKOWSKA was a Viennese company, Irsa, which had offered 4 billion zlotys, but the newspaper was sold for Z2.5 billion [to a Polish company, instead. Likewise, foreign companies lost their bids for, among other periodicals, GAZETA POZNANSKA and GLOS WYBRZEZA, even though they had offered more money than the ultimate winners.

Not a single title could be purchased by Denis Company of Warsaw and Transmarine Corporation of Bonn, although they made joint bids at several auctions.

The British press magnate Robert Maxwell bid for ZYCIE WARSZAWY, DZIENNIK LODZKI, and GLOS WYBRZEZA. All his bids lost out.

The big winner is the Frenchman Robert Hersant, the owner of LE FIGARO and several dozen other French newspapers: he has become co-owner of five Polish dailies—aside from RZECZPOSPOLITA which was not being auctioned off: DZIENNIK LODZKI, the Lodz EXPRESS ILUSTROWANY, the Gdansk DZIENNIK BALTYCKI and WIECZOR WYBRZEZA, and the Krakow TEMPO. He lost one bid, for the Krakow DZIENNIK POLSKI. Thus, Hersant has become the biggest Polish press potentate.

#### **Listing of Newspaper Purchasers, Prices**

91EP0474B Warsaw GAZETA WYBORCZA in Polish  
30 Apr-1 May 91 p 12

[Unattributed article: "Who Bought the Press of the Workers Cooperative Publishing House and for How Much"]

[Text]

#### **For 100,000 Zlotys**

HARCERSTWO [Scouting], a monthly—Main Office of the Polish Scouts Union

#### **For 500,000 Zlotys**

LEKKOATLETYKA [Track and Field], a monthly—Start Athletic Club of the Handicapped

#### **For 1,000,000 Zlotys**

DRUZYNA [Squad], published three times a week—Scout Worker Cooperative

KONTAKTY [Contacts], a Bialystok weekly—Gratis Employee-Owned Company

KRAJOBRAZY [Landscapes], a Bialystok weekly—Juvena Company

NOWA WIES, a weekly—a worker cooperative

NOWY MEDYK [The New Medic], a biweekly—a team of medical researchers at the Clinic of Internal Diseases, Lodz Medical Academy

ODGLOSZY [Echoes], a Lodz weekly—Reporters' Worker Cooperative

PROBLEMY, a monthly—Problemy Worker Cooperative

REKREACJA FIZYCZNA [Physical Recreation], a monthly—Main Board of the Society for the Propagation of Physical Culture

SZACHY [Chess], a monthly—Polish Chess Association

TAK I NIE [Yes and No], a Catholic weekly—the editorial team

TYGODNIK CHELMSKI [Chelm Weekly]—Ryszard Wichrowski

WALKA MŁODYCH [The Struggle of the Young], a weekly—Union of Socialist Polish Youth

ZARZEWIE [The Torch], a weekly—National Board of the Rural Youth Union

ZDANIE [Opinion], a Krakow quarterly—Kuznica Association

**For 2,500,000 Zlotys**

ITD [Etc.], a weekly—Association of Polish University Students

POEZJA [Poetry], a monthly—Poezja Association

**For 3,000,000 Zlotys**

MAGAZYN POLSKI [Polish Magazine], a monthly—Slowo Publishing House (deriving from the underground press)

TATERNIK [The Mountain Climber], a semiannual publication—Polish Alpinism Association

**For 4,000,000 Zlotys**

BRYDZ [Bridge], a monthly—Brydz Publishing Cooperative

**For 4,500,000 Zlotys**

KONTRASTY [Contrasts], a Bialystok monthly—Pogranicze Publishers and an employee-owned cooperative

**For 7,000,000 Zlotys**

GAZETA CZESTOCHOWSKA—Czestochowa Economic Society

**For 15,000,000 Zlotys**

DZIENNIK POJEZIERZE—Pol Company of Olsztyn

**For 30,000,000 Zlotys**

TYGODNIK RADOMSKI—Petit Company

**For 100,000,000 Zlotys**

SLOWO PODLASIA, a weekly—Rapid Manufacturing, Trading, and Service Enterprise in Biala Podlaska

WIADOMOSCI SKIERNIEWICKIE, a weekly—Ziemowit Janowski (who is also establishing a local TV station)

**For 150,000,000 Zlotys**

PRZEMIANY ZIEMI GNIEZNIENSKIEJ, a Gniezno weekly—Czworka Company (Barbara and Stefan Pajor)

TRYBUNA WALBRZYSKA, a Walbrzych weekly—Bubel Manufacturing, Trading, and Service Enterprise

ZYCIE PRZEMYSKIE, a Przemyśl weekly—Ziemia Przemyska Company (shareholders: Municipal Council, Gmina Council, Regional Solidarity, the Lubaczow Club of the Catholic intelligentsia, the Przemyśl Culture Society)

**For 200,000,000 Zlotys**

KOMPUTER, a monthly—IDG-Poland, a Polish-American company (IDG controls 25 percent of the world computer press market, publishes 145 periodicals in 49 countries)

**For 250,000,000 Zlotys**

PILKA NOŻNA [Soccer], a weekly—Agroland Company (sells agricultural machinery, handles international freight hauls)

**For 300,000,000 Zlotys**

DZIENNIK WIECZORNY [Evening Daily] (Bydgoszcz)—Poltech, Inc.

FILM, a weekly—Film Company (partially owned by the editors and by Arka Press Company, whose chairman is Mieczysław Gil, the leader of the Citizens Parliamentary Club)

NAD WARTĄ [On the Warta River], a Sieradz weekly—Westa Insurance Cooperative

THE WARSAW VOICE, a weekly—a company formed by WARSAW VOICE reporters

**For 400,000,000 Zlotys**

ECHO DNIA [The Daily Echo], a Kielce afternoon newspaper—Acumen Company of Kielce

RAZEM [Together], a weekly—Confederation for an Independent Poland

**For 420,000,000 Zlotys**

TEMI, a weekly—Tarnowski Magazyn Ilustrowany Company

**For 450,000,000 Zlotys**

MOTOR, a weekly—Confederation for an Independent Poland

TYGODNIK NADWISLANSKI [Vistula Weekly]—a Tarnobrzeg local government publishing house

**For 500,000,000 Zlotys**

NA PRZELAJ [The Shortcut], Zarzadzanie i Bankowosc Company, a management and banking company, bought the periodical for a symbolic 1 zloty, but must pay half a million in debts

TEMPO, a sports newspaper in Krakow—a reporters' cooperative, along with Socpress (owned by the French press magnate Hersant)

**For 625,000,000 Zlotys**

PRZEGLAD KONINSKI, a Konin weekly—Konimpex Company

**For 688,000,000 Zlotys**

ZWIERCIADLO [The Mirror], a weekly—Universal, S.A.

**For 700,000,000 Zlotys**

PODKARPACIE [The Subcarpathians], a Krosno weekly—Ewa Printing and Publishing Enterprise

**For 1 Billion Zlotys**

TYGODNIK ZAMOJSKI, a Zamosc weekly—Zamosc Publishing Company

**For 1,250,000,000 Zlotys**

TRYBUNA (the daily), together with CHLOPSKA DROGA [The Peasant Road] and ZYCIE ZYRARDOWA [Life of Zyrardow], a weekly—Ad Novum Company (congratulations on the name!), that is the Social Democracy of the Polish Republic party (the issue of paying off the multibillion debt of TRYBUNA LUDU has not yet been resolved)

**For 1.5 Billion Zlotys**

ECHO KRAKOWA, a Krakow afternoon daily—Echo Krakowa Publishing House and the Foundation for Restoring Krakow Landmarks

GAZETA WSPOLCZESNA [Contemporary Gazette], a daily—Bialystok Region Solidarity Board

WIECZOR [The Evening], a Katowice daily—Akapit Company (most of the editors plus the Commercial-Credit Bank in Katowice)

**For 2 Billion Zlotys**

GAZETA OLSZTYNSKA, an Olsztyn daily—Gazeta Olsztynska Publishing Company

**For 2.5 Billion Zlotys**

GAZETA KRAKOWSKA, a daily—a publishing company consisting of editorial employees, local intellectuals, members of the Writers' Union, the Commercial-Credit Bank of Katowice, the Voivodship Administration, and a group of private entrepreneurs

GROMADA ROLNIK POLSKI [The Community—The Polish Farmer], a weekly—Corso Manufacturing and Trading Enterprise (linked to PSL [Polish Peasant Party] Solidarity)

**For 3 Billion Zlotys**

GAZETA POZNANSKA, a Poznan daily—Wojciech Fibak

**For 3.5 Billion Zlotys**

GLOS WYBRZEZA [The Voice of the Coast], a daily—Glos Wybrzeza Private Publishing House (Gdansk Chamber of Private Industry and Commerce, the Commercial-Credit Bank of Katowice, Marzal and Lonzavis enterprises)

**For 4 Billion Zlotys**

GLOS POMORZA [Voice of Pomerania], a daily—Forum Company of Koszalin (shareholders: Sigma Company, Solidarity's Economic Foundation, reporters)

**For 5 Billion Zlotys**

WIECZOR WYBRZEZA [The Evening of the Coast], a Gdansk afternoon daily—Prasa Wybrzeza Company (shareholders: Przekaz Company, representing the Gdansk Region Solidarity Board, 30 percent; the French company Socpresse (Hersant), 38 percent; Kashubian-Pomeranian Association, 22 percent)

**For 6.25 Billion Zlotys**

GAZETA LUBUSKA, a daily—Lubpress Publishing House (shareholders: reporters and the Commercial Credit Bank of Katowice)

**For 7.3 Billion Zlotys**

NOWINY, a Rzeszow daily—R-press Company of Rzeszow (reporters, Editions Spotkania Publishing House, Regional Solidarity, PSL Solidarity)

**For 8 Billion Zlotys**

DZIENNIK POLSKI, Krakow—Publishing House of Dziennik Polski Employees, Solidarity's Economic Foundation for Malopolska Region, Bank of Industry and Commerce in Krakow, Jagiellonian University)

**For 8.5 Billion Zlotys**

GLOS PORANNY [Morning Voice], a Lodz daily—Heinrich Bauer Verlag of Hamburg (48 percent), Grafag Publishing and Advertising Agency (headed by former director of the National Publishing Agency), and reporters

**For 12 Billion Zlotys**

DZIENNIK BALTYCKI [Baltic Daily]—Prasa Gdanska Company (the French company Socpresse (Hersant) owns 51 percent and Przekaz Company, representing Gdansk Region Solidarity Board, owns 49 percent)

SZTANDAR MLODYCH [The Banner of Youth]—Foundation for Economic Education (whose chairman is Minister Andrzej Zawislak), Foundation for Polish Culture (whose chairwoman is former Minister Izabella Cywinska), and Polskie Nagrania

**For 13 Billion Zlotys**

EXPRESS ILLUSTROWANY, Lodz afternoon daily—Prasa Ilustrowana Company (Socpresse (Hersant) owns 48 percent; PKO Bank 24 percent; reporters' cooperative 20 percent; and Finryan International, 8 percent)

**For 16 Billion Zlotys**

EXPRESS WIECZORNY, Warsaw afternoon daily—Solidarity's Press Foundation (Center Accord party)

**For 25 Billion Zlotys**

DZIENNIK LODZKI [Lodz Daily]—Prasa Lodzka, (Socpresse (Hersant), 46 percent; Lodz Municipality, 25 percent; PKO, 20 percent; Finryan International, 9 percent)

**For 40 Billion Zlotys**

ZYCIE WARSZAWY—Zycie Press Company (STEL, an Italian press and television concern, 40 percent; Wielkopolski Credit Bank, Czytelnik Press, Varsovia Press Company (owned by two partners), Kazimierz Woycicki, editor in chief of the newspaper, and Tomasz Wolek, deputy editor in chief, as well as 72 ZYCIE reporters)

No one wanted to buy the following titles: ABC ROLNIKA (Olsztyn), EKRAK, KRONIKA DOKUMENTACJA PRASOWA, IMT SWIATOWID, BOKS, KULTURA FIZYCZNA, MOTYWY, PLOMIENIE, POKOLENIA, POSZUKIWANIA, STUDENT, ZAGLE, INSPIRACJE, RELACJE (Lublin), ZYCIE FABIANIC, PERSPEKTYWY, POLSKIE PERSPEKTYWY, TWORCZOSC ROBOTNIKOW, and GAZETA OSTROWSKA.

There still remain eight periodicals to be auctioned off, but these do not include any newspapers of major political importance.

**Criteria for Newspaper Buyers Explained, Defended**

91EP0474C Warsaw GAZETA WYBORCZA in Polish  
30 Apr-1 May 91 p 13

[Statements by Kazimierz Stryczkowski as reported by Anna Bikont and Lukasz Ramlau; place and date not given: "The Liquidator Has the Floor"]

[Text] The procedure for the rulings by the Liquidation Commission has elicited objections from various sides on the grounds that the decisions were taken at closed sessions and the rank of importance assigned to each of the numerous criteria was unknown. Had the criteria (price, importance of discrete declarations of support, the wishes of the editorial team) been evaluated, e.g., on a scale of 10 and made public, then perhaps some of the decisions taken would have been worse, but the atmosphere surrounding the activities of the commission would of a certainty have been better.

This process could not be a mere adding-up of discrete elements of the evaluation. Even then, however, a situation in which, out of 10 bidders, only one accepts the commission's ruling—the winning bidder—was unavoidable.

Had the commission applied only economic criterion, ZYCIE WARSZAWY would have been bought by the West German company, Transmarine GMBH, which made the highest bid. Such a ruling by the commission would not have, it seems to me, gained social acceptance. We adopted the principle that, since we cannot adopt politically neutral decisions, we shall try to sell the titles to diverse political forces.

I thus do not agree with Maziarski's suggestions. The titles have been sold almost exclusively to the post-Solidarity camp, and as for the fact that the forces constituting it are in mutual competition... For example, the Center Accord party competed with the regional Solidarity for the Bialystok GAZETA WSPOLCZESNA during the first stage of bidding; it competed with a grouping close to the Democratic Union in the bidding for GAZETA KRAKOWSKA; and with the Christian-National Union in the bidding for DZIENNIK LODZKI. Only in isolated instances were sales made to bidders outside the post-Solidarity camp: TRYBUNA was sold to the Social Democracy of the Polish Republic [formerly the Polish United Workers Party] and in this case too the commission was unusually divided in its ruling.

The commission was not very favorably disposed toward bids by foreign capital, other than those by Hersant.

We thought participation by Western capital to be desirable, but we were concerned to reject any 100-percent participation. That was how we interpreted the declaration of the Sejm's commission.

Hersant was the sole foreign partner who accepted the idea that the Polish side was to be a major shareholder

and declared that he is interested only in the economic aspects of the enterprise. The Antimonopoly Office investigated whether Hersant could buy two Lodz newspapers and had no objections. The acceptance of such a big entrepreneur as Hersant is on an experimental basis, and it may encourage Western customers to invest, not just in the press besides.

German capital was treated with great caution. The Transmarine corporation kept losing its bids.

Indeed, Transmarine lost out, but all the bids it submitted lacked declarations of support from journalist associations or editorial teams, whereas it was the view of the commission that a newspaper is a commodity of a special kind. The Lodz GLOS PORANNY was bought by a German company, Heinrich Bauer Verlag, in partnership with Grafag company, but in that case the newspaper's editorial team is a shareholder.

A situation in which the bidders had to court [political parties, trade unions, etc.] for the largest possible number of declarations of support for their bids is quite dubious. Of a certainty, some of the bidders had to promise something to their patrons in return. Yet, to the local press it is particularly important to remain independent of the local power centers—the gmina [township, municipality], Solidarity, the citizens committees.

I am totally in accord that these dangers have to be perceived. But a careful analysis of the commission's rulings will demonstrate that support by local authorities or by the Catholic Church has not always proved decisive.

## YUGOSLAVIA

### Tudjman's Talk With Dalmatian Officials

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in Serbo-Croatian 6 May 91 p 3

[Article by Davor Maric: "Talks Between Dr. Franjo Tudjman and Representatives From Government and Croatian Democratic Alliance at Hotel Medena in Trogir: Independence Without Victims"—first paragraph is SLOBODNA DALMACIJA introduction]

[Text] If we proclaim secession right now, would not a majority of Serbs in Croatia be against us? Is it not enough to ask every sensible person what the cost in Croatian lives would be and whether we would then even realize the absolute freedom and sovereignty of Croatia? There is no place here for people in official positions who do not understand this.

Trogir, 5 May—"There is an understandable degree of impatience being felt by both the official government and the opposition concerning the latest situation, but this does not justify unreasonable proposals to the effect that, like the Slovenes, we declare our independence. Ever since the first day of the elections, we have had communist-dogmatic, Yugoslav-unitarian, and Greater

Serbian forces pitted against us, forces that are unreconciled with the victory of democracy and the establishment of a sovereign Croatia. Aware of this, we have pursued a policy intended to realize our ultimate goal with as few victims and as many economic and political successes as possible. We are now at the pinnacle of the crisis with regard to the fact that on 15 May our representative will become the head of the SFRY Presidency, as well as the fact that the date for which the Slovenes have announced their departure from Yugoslavia is fast approaching; it is obvious to both our opponents and us that a solution must be found concerning both situations." This is what Dr. Franjo Tudjman, president of the Republic of Croatia, said while addressing representatives of the opstina assemblies, executive councils, and HDZ [Croatian Democratic Community] executive committees from Dalmatian communes during a two-hour afternoon meeting devoted to the current political situation and held at the Hotel Medena in Trogir.

"The Slovenes have the consent of, and even an agreement with, Belgrade stating that they may leave," President Tudjman continued, "but we have half a million Serbs in Croatia. And if we declare secession or ask the people in a referendum right now whether they are in favor of an independent Croatia, then there would be armed rebellion against us by not only 10 percent of the Serbs who live in Croatia, but rather by a majority of them. Is it not enough to ask every sensible person what the cost in Croatian lives would be and whether we would then even realize the absolute freedom and sovereignty of Croatia? This has always been an important question. What is at stake is not some elected government, but rather the future of the Croatian people, and there is no place here for people in official positions who do not understand this. Because if events unfold in this way, constructive intervention by the Army would be acceptable to the European Community and the United States in order to save Yugoslavia. I would implore you to act in such a way that you prevent disturbances of the peace intended to lead us into the trap of military intervention. Especially until 15 May, which is not a formal date. The military is not allowed to use weapons without the approval of the SFRY Presidency, and for this reason it is important that Stipe Mesic assume that top post. Thus, those who do not find this suitable and who are taking action like the one at Borovo Selo are also luring our insufficiently trained people into the snare of professionals. I beseech you to explain this to the people. Being radical is the easiest way out. In the coming days, we must avoid aggravating the situation and have faith that nevertheless we will most likely succeed through political moves. But at the same time, we must prepare and train for the possibility of war."

Furthermore, explaining why a referendum should be held even though the opinion of the Croatian people is already known, Dr. Tudjman said: "Since the situation will probably unfold in such a way that the Slovenes will take advantage of their tacit and literal agreement with

Belgrade stating that they can leave, this means that we too will have to reach such a decision immediately. The Slovenes say that this is the will of the people, that the Slovene people decided this, and in this way they present themselves to the Yugoslav nations and to the world. And those who are in favor of preserving Yugoslavia say that they will not recognize Slovenia, even though they must realize that the Slovene people decided this by plebiscite. Since it is probable that we too will be obliged to take this step, why should we not also have this sort of imperative of the national will? Thus, it would be imprudent for us to ask whether people are in favor of an independent Croatia; instead the question is whether we are in favor of allowing a sovereign Croatian state to enter into an alliance with other states—i.e., when we get the people's response to the plebiscite, it will confirm that they are in favor of a sovereign, independent Croatia and that it can establish relations if others want this. Thus, we directly assume that we will be an international entity and have our own armed forces. In this way, we must gain the resolve of the Croatian people, and because we have said that Croatia guarantees the civil rights and cultural autonomy of Serbs and all others, we must also get part of the Serbian population, as has already been indicated. And if this is the will of the people, then the world will recognize it for its own pragmatic reasons. We need this referendum even more than elections, precisely because we would then be able to make the decisions that we need."

Concluding his elucidation, President Tudjman said that the government will do everything possible to fully deal with terrorist banditry in the territory of Croatia as quickly as possible. He said that they will attempt to do so despite the presence of the JNA [Yugoslav People's Army] to insure that it is not used against the Croatian government. In preparation for the tourist season, moreover, he advocated organizing citizen groups to combat forest fires and efforts to catch the arsonists.

Subsequently, President Tudjman was familiarized with the situation in local communes by opstina officials, parliamentary officials, ministers, and prominent HDZ activists, including Stjepan Sulimanac, Pavle Gazi, Josip Boljkovac, Bernardo Jurlina, Dr. Davorin Rudolf, Antun Vrdoljak, Dr. Onesin Cvitan, and others. Pasko Bubalo said that the Serbian residents of Sibenik condemn the terror being perpetrated against Croats, that the incidents are happening primarily in the marginal parts of the opstina, and that the ideology of the SDS [Serbian Democratic Party]—which was originated in Sibenik (by Dr. Raskovic)—has roots only in the town of Bratiskovci. Josip Juras, also from Sibenik, praised relations with the JNA and said that many JNA officers, even those of Serbian nationality, support the democratic Croatian leadership. The disturbances begun by young people in that city in recent days were partially provoked by the KOS [Counterintelligence Service]. Everyone is especially happy about the raising of the Croatian flag at the military repair plant. Omis President Ivica Franic referred to the problem of sending recruits

and the increased tax assessments by the JNA. Davor Aras spoke on behalf of Zadar, praising the latest desire by Serbs living in Zadar to declare their opposition to terror against Croats, and he announced a meeting to be held the next day in connection with this. Talking about the several thousand citizens who have reported for duty in unarmed, volunteer units, he gave special emphasis to the fact that these are members of various nationalities, adding that 15 citizens of Serbian nationality signed up from the village of Poljica alone. In his opinion, the media should give more attention to things like this, for the sake of coexistence. He also acquainted those present with the blowing up of the Zadar waterworks. Tomislav Cicek, from Kastel, talked about the negative reporting on Croatia in the Belgian media as the result of poor information, an issue to which the Ministry for Information should give greater consideration, he said. Ivan Perkovic from Solin talked about the second greatest enemy of Croatia—economic bankruptcies and the ever-increasing number of unemployed people, who should not remain both hungry and disillusioned. Smiljan Reljic of Drnis took advantage of this meeting to provide an official warning about the catastrophic situation due to the decline in the population of that commune. In the latest census, the size of the commune had decreased by 4,000 people, while over the past 20 years, over and above the decrease due to emigration from Oklaj, the commune has lost 14,000 people. Moreover, he said, Drnis is on the alert. Tomorrow is St. George's Day, and some Serbian villages have invited Seselj to their celebrations. According to the scenario, he contends, that day is the one when the military should raid Drnis, but Drnis is a fortress that cannot be penetrated.

Responding to the many remarks, Dr. Franjo Tudjman said, among other things, that the residents of Drnis have no cause for concern if the local police do their job, or rather prevent Seselj from causing problems. He agreed that the demographic problem of Croatia is the most important one following the achievement of freedom, but that it will be solved through proper economic steps. He warned that people should learn from the experience of Borovo Selo and Potkonje, saying that it is impermissible for there to be an unorganized weapons buildup outside the domain of the active and reserve ranks of the police and guard.

#### [Box, p 3]

#### Divided Army

The ranks of the JNA have always included people with a dogmatic communist orientation, but also people who have remained true to the AVNOJ [Antifascist Council of People's Liberation of Yugoslavia], Titoist concept, so that efforts to thoroughly associate the Army with Milosevic's and Greater Serbian policy have failed.

The JNA has formally recognized the legality of the democratic Croatian government, but its ranks have always included people with a dogmatic communist orientation, people who believe that democratization is a



temporary victory by counterrevolution and that the future lies in socialism. These are deceived people. This is evidenced by the declaration by the LC [League of Communists] Movement for Yugoslavia, "Better the grave than a Euro-slave." But there are also people in the army who have remained true to the AVNOJ, Titoist concept, so that efforts to thoroughly associate the Army with Milosevic's and Greater Serbian policy have failed. Nevertheless, the Army has essentially been inclined towards the antidemocratic and anti-Croatian position, saying that this democracy is an import from imperialism and the CIA.

In addition, it must be pointed out that the army cadre is predominantly Serbian, that it has been concluded that any proposal for a confederation means the disintegration of Yugoslavia, and that this must be avoided at all costs, even by force. And even if this other part of the Army has approved the plan for Slovenia's departure, the critical part remains: Croatia, Bosnia, Serbia, and Montenegro. In a situation like this, when the entire leadership has considered how to do us in, because it would not be auspicious in the world's eyes to move openly against the results of multiparty elections so that it was necessary to contrive interethnic conflict as an excuse for "constructive" intervention, we have kept them from coming into Croatia through our sensible policy throughout December, January, March, and up to the present day. Naturally with determination, because we have let it be known that we will resist them with police forces and with the entire nation. The very fact that they have been unable to find any justification for intervening based on our policy, and our determination in resisting them, as well as the stratification in the Army itself—because there is no one from the ranks of non-Serbian nations, regardless of whether they are ensigns or generals, who would act against their own people—and the world's attitude towards a unified Yugoslav framework have kept it from making a move on Croatia. With this policy, we have even gotten the official part of the Army leadership to accept the concept of confederation, or rather of any solution that is arrived at by agreement and that does not threaten the existence of the JNA.

#### **Slovene Interior Minister on Police Affairs**

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pp 21-22

[Interview with Slovene Interior Minister Igor Bavcar by Janko Lorenci; place and date not given: "Slovene Commandos in Belgrade? It Is the First I've Heard of It"]

[Text] [Lorenci] Recently there has been a lot of talk about the role of the police and the army in creating a state. What is their role in creating a state supposed to be?

[Bavcar] They are, of course, by definition the classic state apparatus, and no overall substantiation is needed. What should be questioned is the exclusive nature of the

state-creating role of only those two classic state ministries. The state-creating role of this government will be demonstrated, in fact, through its ability to establish the economic, social, cultural, and other foundations of a Slovene state. Consequently, the state-creating role of only those two ministries has limited application. Nevertheless, at this time they also have a special place in view of the separation process, since they have to protect the processes that allow the establishment of the above-mentioned basic foundations.

[Lorenci] Does it seem to you that without its own defensive potential—the police and the army—Slovenia would already be on its knees?

[Bavcar] Absolutely! I even think that those two institutions have defended Slovenia's political decisions to date.

[Lorenci] You assert that they have a reliable deterrent effect?

[Bavcar] Yes!

[Lorenci] Which will still be necessary?

[Bavcar] I think so.

[Lorenci] For instance, in the event mentioned by Jansa? In his opinion, a classic occupation of Slovenia is out of the question, but it would be possible to imagine a situation in which the JNA [Yugoslav People's Army] would occupy Slovenia's borders, cut it off from its surroundings, and thus cause gigantic and insurmountable internal difficulties.

[Bavcar] Jansa and I are assessing the key decisions in this area jointly! And that is one of the possible variants.

[Lorenci] And how would Slovenia react to such a blockade? Would it try to break through it?

[Bavcar] Slovenia would naturally try first of all to keep it from happening.

[Lorenci] Let us say that it did happen. Would an attempt to break through such a blockade by force already be an act of war?

[Bavcar] In the first place, the existing borders cannot be completely sealed physically. The JNA does not have enough men and equipment. In the second place, we can assume that this action would not be directed solely against Slovenia, and that would mean that the army would also be involved elsewhere. There is a very high possibility that the border would remain open, at least at certain key parts. In any case, it is certainly a matter of the ability, measures, and responsibility of the Slovene authorities not to permit something like that to happen at all.

[Lorenci] In such an event the neighboring countries (Italy and Austria) would probably close the borders.

[Bavcar] That is certainly a real danger. In any case, it would be a short-term matter, since it is one thing to occupy the border, but another thing to keep it—to protect people and soldiers, maintain some sort of stage of siege.... These things are not simple. The military intervention in Plitvice suffered from the routes along which the army was advancing and equipment that could not hold up for more than a few kilometers. Our Croatian colleagues talk about very different conduct by members of the JNA, and primarily about their inexperience—about how one tank knocked down all the traffic signs for more than a kilometer because the drivers had not mastered even the most basic skills. That is one part of the picture of military intervention in Yugoslavia, although I am certainly not underestimating it.

I am only talking about the unusual problems for an army which, after 40 years, would have to do something enormous.

[Lorenci] During all these wild months, have the Slovene police been constantly in a state of readiness, and on their feet all the time, at least psychologically?

[Bavcar] There are several structures in the police: those that have to be on their feet all the time, regardless of what the situation is like, those that stand up when things are a little more complicated, and, of course, those that are on their feet and on alert when it is necessary, i.e., the broadest ones. I think that the point about the capability of the professional police leadership and the overall assessment is that you should not fatigue people unnecessarily.

[Lorenci] Are the police considered an integral part of our armed forces, or is their duty to protect Slovenia against an external danger only a temporary additional task in the present, unusual situation? Are the police becoming a paramilitary organization, at least functionally?

[Bavcar] No! Not at all! The jurisdictions of the police and the army are clearly distinguished. In planning the Slovene concept of national security and in our concrete decisions, especially in coordination with the Secretariat for National Defense and the territorial defense organization, we are abiding by the European convention which very clearly formulates precisely the issue of the police in wartime. Those are important provisions that Europe adopted in the declaration on police, according to which in wartime, including situations of temporary occupation, the police forces, with the entire organizational structure, carry out tasks in their field of activity, and do not have a role as paramilitary structures.

[Lorenci] Let us assume that there are serious tensions and even skirmishes already—would the police also take over military tasks?

[Bavcar] The police possess an extremely high level of knowledge, including military knowledge as well, and very solid armament. And, in the case of a forcible

intervention in Slovenia, along with territorial defense it would also play a very important role in the area of defense as well.

[Lorenci] We are in a sort of crisis situation all the time. That is forcing the army and police apparatus to cooperate and establish ties, and there have been a lot of warnings about the danger of such ties. Some people also add to this a personal alliance—your friendship with Jansa. In short, they see in this a danger of the emergence of some sort of large, immense repressive apparatus that would be difficult to control.

[Bavcar] Jansa and I really are good friends, but both of us have made a considerable effort to keep the two ministries clearly separate. That effort is apparent both from the proposed amendments to the Law on Internal Affairs, and the draft Law on Defense and Protection. The jurisdictions are distinguished in those documents. This is also being dealt with by the Slovene Presidency and its Council on National Defense, which is currently engaged in the initial discussion of the concept of national security.

[Lorenci] In this potential threat to Slovenia, are you playing through various scenarios and also operational defensive measures that would involve the police?

[Bavcar] Essentially, yes. There are a lot of different possibilities, from individual incidents to operations on a larger scale, and, in accordance with this, we are planning the deployment of the police forces.

[Lorenci] Is it true that in Belgrade there is a carefully hidden group of Slovene commandos, who, if Slovenia were attacked, would attempt to capture some of the leaders of the attackers, e.g., Milosevic and Kadijevic?

[Bavcar] These are supposed to be our people?

[Lorenci] Yes.

[Bavcar] This is the first I have heard of anything like that.

[Lorenci] I am only speculating, of course. In spite of that, I would like to ask you whether it would not be a hypothetical possibility that if you are seriously threatened, then it is necessary to think of all possible defensive measures. Would something like that be sensible?

[Bavcar] I think not. Such things do not solve the real causes of this conflict. Furthermore, they sound like some old film scripts. I absolutely deny that anything like that would exist.

[Lorenci] We often say that life surpasses any film.... Recently Peterle and Kadijevic met. The official announcement, of course, did not say anything. We have heard, however, that the results of that meeting were favorable, and that the army showed a surprising willingness to make concessions. Among other things, it is

said to have agreed to Slovene recruits serving exclusively in Slovenia, and to Slovenia having the right to its own army. Have you been informed about that meeting?

[Bavcar] I have been, but I expect that Peterle will provide more information about that meeting, if he does. I would just like to say that the reasons why certain statements by high army officials are being hastily interpreted as benevolent seem dubious to me. I am also too familiar with the published documents on the JNA scenario, and on the other hand, the JNA is not independent. An intense battle for the army is going on between a certain pro-Yugoslav policy of Markovic, and a certain pro-Serbian policy of Milosevic, or even a pro-Serbian policy of Jovic, since the rift between Milosevic and Jovic is intensifying, in my opinion. It is necessary, however, to stay sober and realistic in connection with all these talks, which are certainly necessary—since it is precisely with the federal authorities that Slovenia will have to resolve some of the issues.

[Lorenci] Does it seem to you that Slovenia will be able to separate from Yugoslavia by agreement within the projected period, by 23 June?

[Bavcar] An impression is emerging among the public that the assembly adopted a decision that Slovenia would have to be independent by 23 June. In the law on the plebiscite, the assembly adopted a decision that all of the regulatory and other conditions enabling Slovenia to take such a step had to be prepared. It is simply necessary to hold out until 23 June and prepare everything necessary for separation—and there are a lot of preparations! There is a whole pile of work just in the field of the police (he pointed to a voluminous pile). It is necessary to do everything possible to bring about separation by agreement, which in my opinion is the key condition for Slovenia to gain quickly what it needs most—international recognition—and for the entire undertaking to be carried out as peacefully as possible.

[Lorenci] Let us go back to the state-creating role of the police and the army. By talking about their state-creating role, we are in a way elevating them and assigning them a special and privileged status?

[Bavcar] In the year that I have been in this position, the answers to the question of why we Slovenes did not achieve our own state have become clearer. I would say that every people has the kind of state that it deserves. It is not just others who are to blame for our not having one yet. In that context, the adjective "state-creating" seems somewhat extremely positive to me. Certainly it is a historic feat for this people. I do not want to boast, but we are doing something that not many in the world have succeeded in doing. I do not know whether anyone has even been able to succeed in the way that we are going, and that is why the process of creating a state is something that is identical to the process of gaining independence; and with the criticisms of that word, I remember my youthful views and illusions about eliminating the state.

[Lorenci] In my opinion, the Slovene army and police are very much needed at this time. Excessive emphasis on their state-creating role, however, can reinforce certain undesirable consequences that are already arising from the very nature of those two institutions. It will thus be easier for them to escape from public control, to become abnormally important politically, and to obtain too much money.

[Bavcar] Those two ministries are suffering from the experiences from the previous regime. Here I am leaving aside the most basic distrust on the part of citizens in the state apparatus, which has to exist in every society and is an integral element of a civil society. What I am talking about is a certain directly cynical attitude toward the current processes, and a great misunderstanding of the situation. In regard to that independence, some people are not even interested in the issues of effective, actual authority, but instead just care about declarations, of which we already have so many now that we could adopt another declaration with an index of declarations.

[Lorenci] The budget allocation for the police was cut by six percent, but the army's budget was cut by 12 percent. Why was the police budget cut less than the army's? Because the army is considered a greater luxury, less necessary than the police? Or because you are more favored, more convincing, more powerful in the government than Jansa?

[Bavcar] The discussion of the budget was very superficial at first. We essentially received somewhat more than 50 percent of what we had proposed, whereas we also tried to explain in parliament what we needed those funds for. Above all, we were talking about new obligations, about the high depreciation of the equipment, about the fact that we would not employ new people, and we had one policeman for 412 inhabitants (in regard to which we are in 15th place in Europe, and somewhere around the Austrian level). We were rather convincing, and several of the opposition deputies withdrew from the proposed amendments. As far as the defense budget is concerned, Jansa himself proposed the kind of reduction that was adopted. It was not a forced reduction. It was proposed by Minister Jansa, who presented it to the government as a very realistic picture of that ministry. Consequently, there were no calculations based on individual ministers' rectitude, as journalistic jargon puts it, or greater or lesser sympathy in the government toward individual ministers.

[Lorenci] Accusations could be heard from the opposition that the police were being developed financially so much so that they would be more reliable in helping to suppress possible social unrest.

[Bavcar] Let them cite just one instance in which the Slovene police took countermeasures to settle social unrest during this year that will soon be all over. In contrast to the regime that the present renovators headed for 40 years, there is no room for such a policy with us, and also in several instances of unrest (let me just

mention Snaga, the Maribor unrest, and others), the police's position was very clear, in accordance with the law, and without any sort of intentions of placing itself on anyone's side.

[Lorenci] You only protected public order and peace?

[Bavcar] Yes, as according to the law, and that was also the subject of a dispute with the renovator Ciric, who spoke very scornfully about policemen who would repress trade union members and workers—as if someone really wanted to be able to justify his own policy with that.

[Lorenci] Under what conditions, however, would the police intervene to prevent or limit in any way social or other indigenous Slovene unrest?

[Bavcar] My experiences from the times when I was not a professional member of the government indicate that such unrest cannot be suppressed by means of the police. That apparatus also does not have such ambitions. Of course, I cannot rule out the possibility that the police would intervene if there were a real threat to public order and peace, the general security of the people, etc. Then the police would intervene, just as they took part in the case of Snaga when the dump was closed. Talking about its suppressing indigenous Slovene unrest simply seems pointless to me.

[Lorenci] Who would decide whether that kind of intervention was necessary?

[Bavcar] It depends on the extent of the unrest. I myself am trying to introduce the principle of the clear responsibility of the local police forces, a principle that is completely the opposite of the way the police behaved earlier, when every police decision that was even a little more serious was not only coordinated all the way up to the top of the police hierarchy, so that the internal affairs minister also made decisions on quite prosaic matters at the local level, but was also coordinated with political decisions. That relationship essentially gave the police secret backing. Even at the opstina level, the local police chief could be under the wing of politics. He could calmly break the laws, knowing quite well that nothing would happen to him. Now the situation is different. The chief of the administration for internal affairs, let us say, in Ljubljana or Kranj, which combines several opstinas, is serving in a situation in which a different party is ruling in each opstina, and resorting to politics is therefore no longer possible. The local police chiefs have to change the way in which police decisions are made. One of those things happened to me immediately after I came here: they asked me whether we could go into a certain factory. I said that I did not understand the question. The answer: "Can we go there or not?" I asked, "What do you think?" "I think that we have to," was the answer. I said, "Then why are you asking me?" The answer: "I don't know whether it is politically expedient!" I said, "The next question like that means that you do not understand your role and that you will be leaving."

[Lorenci] Let us assume that there will be major unrest in Maribor.

[Bavcar] It cannot happen without a personal decision by me.

[Lorenci] Would you necessarily have to consult with someone?

[Bavcar] In any case I would consult with the government, i.e., with the prime minister.

[Lorenci] At any rate, it is possible to say that with our current poverty, a lot of money is being spent on the police. Probably part of that money is also intended for social peace within the police themselves. You finally have the police strike behind you.

[Bavcar] Yes, although I should say that it was when I came to this ministry that policemen gained the right to strike. Now we are expecting adoption of the legal right to union organization in the Law on Internal Affairs, and the signing of an agreement with a police union. As far as wages are concerned, I have set a very clear limit—the overall state of the Slovene economy. The top employees in the Slovene police—a body of approximately 300 people—accepted my position with understanding. After we had an emergency pay increase, primarily for authorized officials (i.e., those who are obligated to obey orders from their superiors at any time), we increased their pay by several percent, but we have not raised it any further.

[Lorenci] How much does the chief of a police station earn, for instance?

[Bavcar] It varies, depending on the extent of the work, overtime, etc. It can be up to 20,000 dinars.

[Lorenci] Now the job itself is the valuable thing, regardless of the pay. In this regard the police, like the entire state administration, have been protected like a sacred cow. In general, the worst state employee is better protected than the best engineer in the economy. This is a little demagogic, but it is basically true. The crisis will continue, and things cannot remain like this. That probably means that policemen will have to be dismissed as well?

[Bavcar] It would be hard for me to say that policemen should be dismissed, because I have already stated what the percentage of them in the population is. Furthermore, we are receiving new tasks, including, of course, protection of the state border, which we are undertaking very seriously. It is necessary, however, to reduce the internal affairs ministry's apparatus considerably, in the administration, state security, etc.

On the other hand, we will eliminate several jobs. With a reorganization also including the computerization of all decisionmaking and modern technical equipment, it is necessary to increase the efficiency of this service, and increase the operational part of the service at the expense of the administrative part. In this context, we are already

preparing a list of the people who are superfluous. That list will partly coincide with the adoption of the amendments to the Law on Internal Affairs, which address administrative retirement; some of these people will be leaving the service in the manner that applies in all other work organizations.

[Lorenci] What are actually the main tasks of the chief of the Slovene police? To make the police more professional, politically neutral, and more transparent, i.e., exposed to parliamentary and public control?

[Bavcar] All three. It can be best put briefly: it should become a modern European police force! In my inaugural appearance I designated several key starting points, which are important for designing a modern police system: successful and effective protection of the Slovene state and citizens; emphasis on the principle of legality, the principle of respect for people's physical and informational privacy; the principle of the public functioning of police systems; the principle of absolute informational openness to parliamentary oversight; the principle of modern, efficient organization of the work; and the principle of using the most humane measures. Then there is an entirely operational task: coordination of this large apparatus, which consists of more than 7,000 people, and management of a staff of highly educated, professional, and ambitious people, which is not simple, so that essentially I am performing a modern managerial role in this police force.

[Lorenci] Does it seem to you that so far you have already brought the police closer to the goals that you have set?

[Bavcar] Above all, the entire apparatus has in a way determined the direction in which it has to go. That is already a great deal.

[Lorenci] Let me provide you with an opinion from a certain expert on the police, an opinion that is not particularly favorable to you. That expert says that for now it is still too early for a general and final assessment of Bavcar and his activities in transforming the police. The entire police leadership, including you, is still doing a lot of hunting and searching, and is insufficiently familiar with the apparatus underneath it.

[Bavcar] Well, in the innermost staff, which consists of 10-12 members, there certainly are people who are familiar with the police! So far I have just not been able to find a person who would manage the police economy and not take the budget for granted. Of course, I admit that alternatives are being sought; after all, the security concept is still being worked out, and so the opinion that you quoted should not be taken so critically.

[Lorenci] Let me quote one more small part of that opinion: he says that during this year nothing has essentially changed, and that if changes were really to be made, you would first have to dismiss those 90 UDBA [State Security Administration] people....

[Bavcar] There are not 90 UDBA people. There are 90 people scheduled for administrative retirement. It is true that personnel renewal in the Slovene police is still far from being finished. I am now expecting a more extensive second round of personnel changes among high police officials.

[Lorenci] Did you meet with strong resistance from the old personnel and structures in the police? Political resistance and the resistance of inertia, which is characteristic of every such organization?

[Bavcar] Both types of resistance are still present and are not small, and certainly have to do with the ties of perhaps a small but nevertheless very influential part of the police apparatus to the old regime. The very fact—and I consider it very strong resistance—that our archives include virtually no documents or dossiers on important operational actions, particularly those of the State Security Service, attests to the fact that that resistance exists. It is reliably known that those documents did exist, and investigations are going on in connection with this. Those documents are certainly extremely important and can represent a potentially serious danger to the most fundamental security of this state. The resistance, consequently, is not solely passive.

[Lorenci] The police force is an old, closed mechanism with its own internal laws, unwritten rules of the game, and in that sense you are a sort of newcomer, a disruptive element that has to be survived. You are a political official who will leave sooner or later, and not a professional policeman.

[Bavcar] The position that I occupy is that of the chief, the person who comes from politics. That is also the way it has to be. In the second place, part of the Slovene police hardly expected the changes that I began, and that I also took partly from the thoughts, materials, and efforts of part of that apparatus, since the strain between the political and the legal was so great that it caused unbearable schizophrenia. I think that I have succeeded in demonstrating that my aim was not to continue that schizophrenia with some other policy. It is difficult, of course, not just because of the policy to which I belong (i.e., the Demos policy), although there are no major pressures from it, but also because it is necessary to change that situation within the police force itself first of all.

[Lorenci] Do you know anything about the psychology of this closed system, this "vessel," as the police are called?

[Bavcar] Some of the organizational changes are aimed precisely at opening this vessel for us, since the police are only one part of the institutional mechanism that provides security, along with other, purely civilian, components. That is why we are faced with demanding projects, of which developed police forces have many. These have to do with preventive activity, the peaceful settlement of conflicts; there are projects for local police activity, associated with the concept of local self-management,

which naturally give the police new functions. In part, we have included this in the concepts of the so-called security districts.

[Lorenci] Does it seem to you that you are familiar with the intimate mood in different parts of the police—lower, middle, and upper?

[Bavcar] I have a slight advantage in the fact that a long time ago, 16 years, I was a policeman for nine months, and so I learned at least a little about this social milieu.

[Lorenci] How are you learning about it today? Through what kind of channels?

[Bavcar] The channels are different. I have the support of the police union, which in an organized way provides me with reports and positions that I would certainly have to obtain otherwise, and which at the same time articulates the relationship between myself and those men. If you make decisions, it is very important to have an interlocutor who knows how to articulate his demands. There are also the official channels of their superiors, who come to me on a daily basis. And finally, there are people here who deal with internal security and monitor life in this police force. These are "internal police," and of course among policemen they are an extremely unpopular part of this apparatus, which is concerned with the legality of police work.

[Lorenci] Are you popular among the police?

[Bavcar] I could not answer; whatever answer I gave would be egotistical. You will have to ask someone else.

[Lorenci] You say that the answer would be egotistical. Then you think that you are popular?

[Bavcar] No.... As I said, that is a matter for others to evaluate. But I think that I get along well with people and I sense enthusiasm for the main projects that we are heading.

[Lorenci] So far, how many people in the police have been downgraded, even if they have been "kicked upstairs"?

[Bavcar] I have replaced several key people (there are 25 to 30 such positions). That still does not complete the replacements. An interesting psychological element has arisen, however. The conceptual changes which have taken place in the SDV [State Security Service], and which are major, contrary to the opinion of your expert adviser, have downgraded that service, in the opinion of part of State Security. Those discussions began at the moment I came with my concept, with that rebellion within the State Security leadership, which involved the entire political structure, etc., and began to spread the idea of persecution, and so forth. The whole service was reorganized, its jurisdiction was reduced, we took away their police authority by means of the new law, etc., so that some of those people perhaps have the feeling that they have been downgraded, which, of course, is also

associated with the fact that a high percentage of those people will have to leave that service.

[Lorenci] Consequently, the traditional attitude of the classic police force toward State Security will slowly change? That attitude has been a mixture of fear, hostility, a sense of inferiority...?

[Bavcar] Yes. Now that service's jurisdiction is different, and we are separating the physical service from the Secretariat's other services. That means that those two parts—the criminological and, as we will rename them, the protective police—will not interfere in the Security Information Service. Previously, State Security was also involved to a great extent with the militia and the criminological service. It is only possible in restricted and clearly defined work.

[Lorenci] You have obviously restructured the police gently. Essentially, you have not dismissed anyone, but instead reassigned them, given them early retirement, provided some people with housing, etc. That is probably tactically smart. On the other hand—if I may use a harsh expression—it is a sort of bribery within your system, and moreover at the cost of the slowness of the changes, and also at the expense of the taxpayers.

[Bavcar] That could be one reason. It is possible to undertake changes in two ways: pompously, with a violent momentum that can cause resistance in such an apparatus, which may become a problem at some stage, particularly in the current stage of gaining independence, or more slowly, with consideration, and of course with some certainty that is much firmer and actually also much more decisive than the certainty shown with a broader momentum. I decided on the second option, which also entails a risk, but it is a basis for more rigorous measures.

[Lorenci] You used an interesting adjective earlier. You said that there were no major pressures from Demos to subordinate the police to itself....

[Bavcar] No, I said that Demos was satisfied with the policy that I am conducting in this organization, and was not demanding rapid pushes, abrupt decisions, as some people are now demanding in certain other areas (the case of Minister Osterc).

[Lorenci] Pressures do exist, however.

[Bavcar] They exist, from the opposition, which is objecting to certain changes that I am making. The socialists' position in defending the existing structure is really incomprehensible. And there are also pressures from the bloc in power, which would like more rapid changes.

[Lorenci] Of course, it is more difficult to defend yourself from Demos's pressures?

[Bavcar] I am firm in that regard, and I also have support in the government, so that I do not have great difficulties here. Those pressures are also stimulating.

[Lorenci] One of your main institutional tasks is to make the police nonpolitical, politically neutral. Have there been any pressures in that direction?

[Bavcar] If you were more specific it would be easier for me to answer.

[Lorenci] The Demos coalition is trying to subordinate certain sectors to itself, or at least intimidate them—the media, for instance. You yourself also said earlier that Demos sometimes acted that way. It would be logical for it to try to do this in the specific area of the police as well.

[Bavcar] No. There have not been any such attempts. I am in charge of this area, and my statement on this is very authoritative.

[Lorenci] In this government you are the most outspoken type of politician among all the ministers. You showed that already as the chairman of your committee.

[Bavcar] The committee was not exactly mine....

[Lorenci] It was usually called Bavcar's committee.

[Bavcar] Yes, well, the work there is different.

[Lorenci] That is probably true. And for that reason are you perhaps suffering privately, perhaps just a little?

[Bavcar] Certainly I have been hindered on that account from entering into discussions which do not concern an internal affairs minister in some normal systems. Certainly that post has some impact in one's future political, professional, or whatever career. There is probably a danger that my excessive involvement in other political discussions could be misinterpreted. On the other hand, I also do not take part in them very much because I simply do not have the time, even though that may sound somewhat prosaic.

[Lorenci] Mostly it seems that you are somewhat enjoying your work, and the power that you have?

[Bavcar] I am not quite convinced that that comment is well-intentioned.

[Lorenci] It is not malicious.

[Bavcar] It is an apparatus that is functioning, and has already previously been one of the most administratively structured ministries. A great deal will still have to be done here. I still have a great deal of willingness for this, and I intend to do this job in a fully professional manner.

[Lorenci] If you can. It seems that the government is facing a crisis for the first time because of Oman's demand for the replacement of Minister Osterc.

[Bavcar] There were government crises earlier as well. Actually, our government is in a permanent crisis, of course, because of the extreme difficulty of the project that we are carrying out. I personally think that the way in which the initiative for Osterc's replacement came about was inappropriate, and that this involves quite

general questions concerning the Demos coalition's action on how government personnel policy should be conducted. I would not attribute too large a scope to this. I would say instead that such conflicts are quite normal for a coalition like ours. At that time, however, it did make a public splash for the first time in a way that was not usual before.

[Lorenci] A government crisis—that term is not so inappropriate, since the Oman people threatened that they would leave the coalition if they were not satisfied.

[Bavcar] Such threats are very frequent....

[Lorenci] You mean that they are shooting with empty guns?

[Bavcar] Not, this matter should be dealt with very seriously. Of course, in my opinion the replacement of Minister Osterc is not the most necessary personnel issue at this time.

[Lorenci] Right now Peterle is also answering these questions on TV in Zarisce. Do you know whether he will give an answer as to the possible replacement of Osterc?

[Bavcar] I have not talked with Peterle about that, and I do not know whether there has been any kind of coordination with Demos in connection with this. But I think that at this time Peterle is very reluctant to make such a replacement.

[Lorenci] Wouldn't it be normal for a government to talk at its session about an issue that is so crucial for it?

[Bavcar] It would be normal, but such a talk has not yet occurred. But that does not mean that it will not.

[Lorenci] What would you do in Peterle's place?

[Bavcar] Peterle's position is unique, since, of course, it is the unique position of the president of the kind of coalition government that it is. Above all, I am not in Peterle's place; but I think that I would be more decisive in conducting personnel policy. That means that I would, as I did in the ministry, insist upon the right to make the primary decisions on the competence of the individual ministries I was in charge of. And I would not give in to the parochial interests of an individual party, since that would then mean that the prime minister's role would be totally usurped.

[Lorenci] And that no consistent policy could be conducted.

[Bavcar] That is true. It is a case of either one or the other.

[Lorenci] Do you agree with the assessment that the incompetence of individual ministers is one of the main reasons for this government's problems?

[Bavcar] That problem exists, but the problem of the incompetence of the apparatus at individual ministries

seems to me to be just as great. There are many ministries that are not professionally up to their tasks, in spite of all the ministers' efforts.

[Lorenci] Peterle will have to do something. The government is approaching a moment of crisis. Some processes have merged together, which...

[Bavcar] The entire ruling structure is approaching a moment of crisis; and the government most of all, of course! It is a matter for a very serious assessment, of course, whether to reorganize now, or to ensure the competence of these authorities in some other way, although it is incomparably more difficult, and to risk through that reorganization a crisis that could be long-lasting and regarding which there is always the question of whether there is any power that could survive it. There are a lot of things involved here. It is known that at one time I already advocated the need for a necessary reorganization of the government.

[Lorenci] Somehow the government will have to start ruling; if it remains caught up in these mutual party dependencies, and if it consents to having every personnel issue turned into an issue of balances among parties, etc., there will be a catastrophe.

[Bavcar] Yes. Perhaps right now there is an opportunity for the government to strengthen its position with respect to the ruling coalition as well, since the government always has to keep a distance from its own parties, especially on issues that transcend party positions—and the process of separation is such an issue.

[Lorenci] At least currently everything on the Slovene political scene is revolving around Peterle. In your opinion, why is it so difficult to decide on changes? Is he so tied by party balances?

[Bavcar] Partly, yes, but I would like to say that it is partly possible to compensate for the incompetence of individual ministries through greater involvement by other ministries, even in areas that they formally are not in charge of. Such a practice has partly become established in the government.

[Lorenci] You mean that in addition to your own work you are also doing something else....

[Bavcar] It does not just involve me....

[Lorenci] But you as well?

[Bavcar] That is not healthy and normal.

[Lorenci] It is normal that there is one part of the government, formed in one way or another, that prepares the key decisions and projects which are clearly interdisciplinary, and which cannot be associated with just a single ministry. It is true that this does not mean that incompetence can be tolerated anywhere in the government.

[Lorenci] It is often heard that Peterle, in his position as president, often thinks too much only of his own party. What would you say about those assessments?

[Bavcar] In a way the very fact that the president belongs to the Christian Democratic Party is something that embodies the results of all the other ministries in his person. For that very reason Peterle, without doing anything in particular, objectively puts the Christian Democrats in a privileged position.

[Lorenci] Fear is spreading among the public that Peterle is not a person who could cope with the extremely demanding circumstances in which the government finds itself.

[Bavcar] Peterle, of course, is in an extremely demanding position. There are at least two other such positions in the government, the position of the president of parliament and the president of the republic. It is very important that there are no essential differences among those three key positions regarding independence. The question of Peterle is essentially a question of his ability to coordinate the government's work, which, as I said, can be partly compensated for through teamwork by a narrower part of the government. The top manager in such a position, however, would have to realize that these things are very demanding and that such compensation only has limited scope. Absolutely every ministry in the government has to function optimally. After all, things are also beginning to deteriorate where they appear to be going well.

[Lorenci] If circumstances led to it, would you be prepared to assume the position of prime minister?

[Bavcar] I have not thought about it.

[Lorenci] Does it seem to you that your service in this government, and in this regime, reduces your political standing in the long term?

[Bavcar] The fact is that I am part of this regime, no, but rather the fact that I am part of this specific authority, the police authority, which has never been particularly esteemed by the public and will just have to bring that about.

#### **Muslim Bosnian Organization Leader Interviewed**

*91BA0660B Belgrade NIN in Serbo-Croatian 26 Apr 91 pp 25-27*

[Interview with Muhamed Tunjo Filipovic, vice president of the Muslim Bosnian Organization, by Manojlo Tomic; place and date not given: "Muhamed Tunjo Filipovic—Bosnian, Philosopher, 'Serbophobe': Down the River on Two Logs"—first two paragraphs are NIN introduction]

[Text] "The minute we feel that Milosevic wants to sacrifice part of Bosnia to Croatia, we would immediately come to an understanding with Tudjman against



him. If Tudjman were to attempt this, we would come to an understanding with Milosevic in 12 minutes, not 12 hours...."

Academician Prof. Dr. Muhamed Tunjo Filipovic, a philosopher and professor in the Department of Philosophy in Sarajevo, is especially well known to the public at large as the creator of the so-called Bosnian spirit, because of which he has also had various political problems. He has been repeatedly accused of being a Pan-Islamist, a Muslim fundamentalist, and in recent times a traitor to his people. Now he is vice president of the Muslim Bosnian Organization (MBO) and, according to many estimates, the most agile and most distinguished (opposition) deputy in the multiparty Bosnia-Herzegovinan Assembly.

[Tomic] The chairman of the parliamentary caucus of the Serbian Democratic Party [SDS], Vojislav Maksimovic, has accused you of trying to "convert" Serbs into Bosnians.

[Filipovic] Nonsense! For more than 30 years, ever since the first discussions on the national designation of Muslims began, I have supported the idea that Muslims are Bosnians. Bosnia is a land that has its own clear geopolitical, public-law, historical, and cultural features and traditions. Its Orthodox population is nationally identified as Serbian, and the Catholic population is Croatian, so that the Muslims are the only ones left who have preserved their Bosnian state identity, in the feudal sense of the word. This is why I felt that the true name for this nation of people was "Bosnian." It has never occurred to me to treat those who have declared and established themselves as Serbs or Croats as if they were Bosnians. That would be silly! It is impossible to turn back the clock on historical developments.

[Tomic] Leaders in Bosnia right now are recalculating. The main dilemma concerns whether Bosnia will be an "Islamic republic" if it is more than 50 percent Muslim.

[Filipovic] Muslims used to be more than 50 percent, and there was no coercion whatsoever applied to others. There were also more Serbs during certain periods, and relations then were not defined by that either. The idea that some imaginary boundary of 51 or 70 percent entitles one to engage in certain acts of public law is absurd. You cannot tie the fate of a land in which several nations live to the fate of only one of them. That is a remnant from the past. It is especially impossible in Bosnia-Herzegovina. I don't know how many Muslims there will be, nor is that important to me—each nation here must enjoy complete freedom to express its interests, but even more important is the general freedom of expression of political opinion on the level of the citizen. No type of Islamic republic is possible here because religion cannot be the basis for the constitution in modern societies.

[Tomic] There is no "Bosnian policy" being pursued in Bosnia today because we actually have three national,

opposing policies. Isn't Bosnia-Herzegovina thus threatened more from within than from without?

[Filipovic] What has happened is a prelude to catastrophe for Bosnia-Herzegovina and constitutes a discrediting of democratic politics. The communists, under the guise of national equality, introduced the national quota system. We have all witnessed where this has led. Now this is being installed as a basic structure, as the main factor for shaping policy. The application of this quota system to all areas of state and social organization is leading to internal political disintegration in Bosnia-Herzegovina.

[Tomic] How do you interpret efforts to create a community of Bosanska Krajina opstinas, as well as an "old Herzegovina"?

[Filipovic] I am from the Krajina area, and I know that it is absurd to think that there will be economic improvements when one backward area unites with another equally backward or even more backward area. It is true that Banja Luka is backward, but in what is happening today, economic reasons are simply a smokescreen.

[Tomic] Do you think that this is a step in the direction of creating a greater Serbia or a united states of Serbia?

[Filipovic] I don't know if that's what it is, but it clearly represents the creation of the hypothesis for something like that. Second, it is illogical to separate opstinas from this combination in which Muslims or Croats form a majority. For example, Jajce is omitted, Bugojno is omitted, but Kupres is included. Third, the way in which this was done—Muslim and Croatian delegates in these opstinas did not know that preparations were being made for this, nor were they able to express their opinions.

[Tomic] The Knin syndrome?

[Filipovic] It is impossible to avoid an analogy with Knin.

[Tomic] How do you view the policy of the SDS in Bosnia-Herzegovina and that of Radovan Karadzic, who are the initiators of these events as well?

[Filipovic] I have repeatedly pointed out that there have never been major conflicts between Muslim Bosnians and Serbs. All Serbs involved in politics here—for example, the organizers of the revolt in Herzegovina and Bosnia, Ljubibratic or Vaso Pelagic—never thought of Bosnia as part of Serbia in their projections; rather, they treated it as a separate political entity. In 1918 as well, the Serbs on the National Council did not demand that Bosnia be attached to Serbia, but rather than it become part of Yugoslavia. During the World War II, Serbs fought for this Bosnia and, together with Muslims and Croats, created ZAVNOBIH [Anti-Fascist Council of People's Liberation of Bosnia-Herzegovina]. I welcomed the advent of the SDS, believing that that party, in keeping with tradition, would pursue a Bosnian-Serb policy. I was unpleasantly surprised when I realized that

the Serbs here are following the policy coming from Belgrade. This is why I said that the SDS is a branch of Milosevic's SPS [Socialist Party of Serbia].

[Tomic] Why are they accusing you of an anti-Serbian policy?

[Filipovic] Being opposed to a policy and criticizing it does not mean being against a nation of people. With these accusations, the SDS, based on the model of Milosevic's party, is directly inheriting the communist methodology for political life. Furthermore, I believe that there is no national conflict in our republic, but rather that what we are talking about is a political conflict, and that is the communist legacy—to turn one conflict into another and to criminalize it.

[Tomic] How do you defend your position that the policy being pursued by Slobodan Milosevic is the main obstacle to a peaceful and democratic resolution of the Yugoslav crisis?

[Filipovic] Slobodan Milosevic has transformed all political problems into ethnic ones. In this way, Serbs are in a state of confrontation with all others. The Serbs have never been in a situation where they are opposed even by the Macedonians, and by part of the Montenegrin political forces, and by the Muslims, Croats, Albanians, Slovenes, Bunjevaks, Hungarians.... Why? Because he is trying to preserve the concept of socialism, slightly modified, and is unable to decide whether to cross over to a bourgeois society, to individualism, where it will no longer be possible to convert all problems into problems of the collective. We in the MBO think that this polarization into Serbs and anti-Serbs is dangerous for all of us. It is leading us into an abyss. And we are looking for democratic parties with which we could cooperate in order that we, ourselves, can avoid the anti-Serb trap.

[Tomic] You have had many contacts with the Serbian opposition lately....

[Filipovic] There is a tendency among part of the opposition forces to force out Milosevic with the idea that they will be greater Serbs than he. When we have discussed Yugoslav relations, the position of Serbs, and thus the question of whether there should be one state or a community of sovereign states, we have seen that, say, Micunovic is close to Milosevic on these questions, while the group around Djuric has a different position in this regard. I think that the onset of the true policy in Serbia—on 9 March—will lead to a differentiation among the current parties.

[Tomic] And the role of Vuk Draskovic?

[Filipovic] I am firmly convinced that Vuk is not that which is being systematically invented about him, that he is not some sort of bugaboo, nor a phantom. The image that is being created about him is to a large part the result of controlled propaganda that has made Serbs afraid of Vuk. My impression is that Vuk is a man of letters, a person of messianic character. His political

ideas are not clearly developed enough, and that is the main limitation on advances by his movement. In any event, he is not a hateful man. I was very delighted about that.

[Tomic] How do you interpret the role of your ex-friend Mihajlo Markovic, with whom you met recently as a representative of the SPS?

[Filipovic] I think that he is trying to introduce a rational spirit to that spontaneous political movement, which was launched with Milosevic beginning at the eighth session, over Gazimestan.... I have not talked with him enough, although our last talk revealed, in my opinion, a certain duality in him—like traveling down a river with one foot on one log and the other on another log. It is difficult on the one hand to implement a consistent position to the effect that the individual and the free citizen are the foundation for the entire society while on the other hand insisting on the rights of the national collective, and this as the regulatory principle for the state structure and all other structures. This is logically impossible. Neither Mihajlo Markovic, a master of logic, nor anyone else in the world can reconcile this.

[Tomic] Many people were astonished at your absence from the meetings between Serbian intellectuals, led by Dobrica Cosic, and Muslim intellectuals in Sarajevo.

[Filipovic] Cosic's arrival was an understandable step. There is probably a need for Serbian intellectuals to explain to Muslims what they are doing, what they support. But I was more astonished by the other side, a self-styled group that declared itself the representative of Muslim intellectuals. They were the product of party trickery, and they in fact had nothing to say to the Serbian side about Muslims.

[Tomic] You studied with Jovan Raskovic, and you recently met with him in Sarajevo. What is the source of such radicalism among Serbs outside Serbia? Isn't Serbia itself at times a hostage of such policy by Serbs in Croatia, and lately in Bosnia-Herzegovina as well?

[Filipovic] It is a known fact that "border Serbs" have used Serbia as the means for realizing their goals. The power of Serbian policy has been a strong mainstay for them, and that syndrome exists to this day. Attempts are being made to link Serbian policy with the maximalist ambitions of these groups, which are unrealistic and which discredit that policy as well. I think that what is at stake here is not Serbian interests, but rather the very specific interests of certain groups. If there is to be some democratic resolution of this situation, I think that these groups and forces—in Knin as well as in, say, Bosanska Krajina—will find themselves in a difficult position.

[Tomic] What will become of the Muslims in the Sanjak?

[Filipovic] They are in a very unfavorable position. Everyone in backward regions is in an unfavorable position—both Serbs and Muslims. In that case, Muslims threaten Serbs, Serbs threaten Muslims, and it is

impossible to pursue a normal policy. This is why I felt that Muslims in the Sanjak should create their own political organization, which would not be a subsidiary of any sort, but rather a democratic force within Serbia. It seems to us that the SDA [Party of Democratic Action] in the Sanjak has not succeeded in playing this type of role. We are expecting shortly the formation of a Muslim liberal party, an authentic Sanjak party, which would work together with Serbian democratic parties. In order that Muslim politics not progress into some sort of anti-Serbian fixation, but rather as one democratic factor within Serbian politics and the Serbian state itself.

[Tomic] Lately, you and Zulfikarpasic have been making contacts with parties in Slovenia, Croatia, Serbia, and Montenegro. Have you come to the conclusion that the "group of six" alone cannot decide on the future of Yugoslavia?

[Filipovic] This group of six cannot reach an agreement. They have thrown everything back to a referendum. Now we are having a cycle of haggling over what kind of referendum.

[Tomic] [What is] your assessment of the performance of Alija Izetbegovic in the talks between the "group of six"?

[Filipovic] It may turn out that I am slandering the man, but Izetbegovic has changed positions several times, issuing different statements. Indeed, his basic problem is that he has no position, nor any policy. And he cannot have one, because he had tried to implement a universal Muslim policy that includes all Muslims in Yugoslavia, but in Yugoslavia these people are Muslims only in the religious sense. He began building his policy on the Yugoslav level, not on the Bosnian level. If he wants to remain leader, he must develop a Bosnian program and realize that Muslims are only Bosnians. If he continues in this way, he will only discredit himself, and the Muslims, and Bosnian policy.

[Tomic] Is it possible to divide Bosnia-Herzegovina according to the ethnic principle?

[Filipovic] No. Let me tell you this: The minute we feel that Milosevic wants to sacrifice part of Bosnia to Croatia, we would immediately come to an understanding with Tudjman against him. If Tudjman were to attempt this, we would come to an understanding with Milosevic in 12 minutes, not 12 hours. Anyone who attempts to destroy Bosnia will be risking a major conflict. They—both Milosevic and Tudjman—should know that the attempt to divide Bosnia in 1939 was the prelude here to the bloody events of 1941.

### **Macedonian Vice President Attacks Republic Media**

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[Article by U.R.: "Journalistic Dogs"]

[Text] Just a few months ago, when the search was on in Macedonia for a ministerial post in which the leader of

the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity], Ljupco Georgijevski, could be installed, not a small number of people warned that it would not be particularly auspicious for a state if the work history of one of its leading figures indicated that the post of, say, prime minister or president of the parliament was also the first job he had held in his life. Heeding some of these objections, those people with decisionmaking powers in the matter awarded "only" the post of vice president of Macedonia to Georgijevski, thus satisfying in part the pretensions of the young VMRO boss, but also sincerely believing that he had been given a post in which he would "scarcely be able to get in the way."

It has very quickly turned out, however, that Georgijevski will not be content with a symbolic function, and that he will spare no effort in letting it be known that he is precisely the person whose directions Macedonia should follow in the future.

### **"Father"**

Georgijevski recently manifested this ambition in a letter addressed to the general director of NOVA MAKEDONIJA, Pande Kolemisevski, in which he unambiguously indicated that besides the political function that he already has, he also regards himself as the "father" of Macedonian journalism. In that letter, which was entirely private in nature but signed in his political post, Georgijevski says, among other things: "I have had enough of the monopoly in the public information media; I have had enough of the lies, intrigues, insinuations, Bolshevik methods, disqualifications, and Lazovisms sponsored by you, Mr. Kolemisevski...." In the remainder of the letter, the Macedonian vice president blames Kolemisevski for the "cretinous atmosphere" in this republic, asserting that he is a "jackass" and an "idiot," concluding that it is quite clear that he suffers from "coprophagy" (a type of mental disorder pertaining to people who eat their own excrement—author's note). In the same letter, boss Georgijevski, who incidentally writes erotic poetry in his spare time, refers to several of the most prominent journalists with NOVA MAKEDONIJA in a thoroughly pornographic style, calling them "zagari" (hunting dogs).

### **Clear Message**

Aside from the fact that he has demonstrated a scandalously low level of upbringing and an inability to engage in any type of public dialogue, Georgijevski obviously has also launched an attempt to brutally settle scores with leading people in the Macedonian media and a surprise attack on editorial staffs that elude his party's control. Furthermore, the level of the approach to the director of NOVA MAKEDONIJA was an octave lower than previous death threats against disloyal members of

the VMRO, but it quite certainly contained a clear message about how he will deal with "journalistic dogs" if they do not become loyalists.

The fact that the VMRO-DPMNE shares power in the Macedonian parliament with several other parties on more or less equal footing brings with it the hope that Georgijevski, who ever since his appearance on the political stage has suffered from the "flippantly promised speed" syndrome, will not be able to make good on his threats all that quickly, and that it could happen instead that he will quickly return to erotic poetry instead of concerning himself with political pornography.

The initial reaction by journalists to this letter was utterly logical. Not waiting for Georgijevski to pass judgment on them, Macedonian journalists recently formed their own independent labor union, which already has more than 200 members. The initiative for founding such a labor union is at least several years old, according to talk around Skopje in recent days, and the vice president simply helped in its final realization.

The more than one-third of Macedonian journalists who have joined this union are simply unwilling to wait for the next, second congress of the VMRO (scheduled to be held in an annexed Salonika), before which this party's offensive against the Macedonian media would presumably have to be largely concluded.

## YUGOSLAVIA

**Ethnic Composition of JNA Officer Corps**

91BA0778A Zagreb VJESNIK (VJESNIK U SRIJEDU supplement) in Serbo-Croatian 29 May 91 p 5

[Article by Teodor Gersak: "The Yugoslav People's Army Is the Largest Serbian Enterprise"]

[Text] Until the first comments appeared in domestic and foreign newspapers about the disproportions in the ethnic composition of the officer corps of the JNA [Yugoslav People's Army], the public knew very little about it. The most they knew was that certain republics were not sending enough cadres to the armada. However, no one had any idea of the internal composition of the professional officer corps.

Computer processing of the data has yielded results ruinous to the reputation of those who for long years have conducted Yugoslav defense policy and the Army. The situation at present, although considerably improved since 1971, is shameful, to put it mildly, for an institution which under the federal constitution should have achieved proportions in the distribution of nationalities and ethnic minorities in the Army and in the professional officer corps.

**The Facts Go Against the "Melting Pot of Brotherhood and Unity"**

These results have been a very unpleasant surprise for everyone. Many people immediately put the question of how the Army has been able for years to say that it was a melting pot of brotherhood and unity, that it was a Pan-Yugoslav institution that uniformly represented the interests of all the Yugoslav nationalities and ethnic minorities, and so on and so forth, when the facts are altogether different? It is the ethnic composition of the professional part of the Army that clearly shows the flagrant disproportion of the ethnic representation of certain nationalities, which cannot be interpreted otherwise than deliberate discrimination against certain nationalities. Even 10 years ago, the figures warned of an extremely disproportional parity among Yugoslavia's ethnic minorities in the professional officer corps. Even then, very symptomatic data came to the surface to the effect that the distribution in the professional officer corps lacked all of 90.1 percent of the Albanians, 78 percent of the Muslims, 70 percent of the Hungarians, 68 percent of the Slovenes, 53 percent of the Croats, and 52 percent of the other nationalities. Tables at that time warned of a surplus of personnel from the ranks of the Montenegrin nationality—all of 148 percent, 51 percent for those of Serbian nationality, and all of 315 percent for those from the ranks of Yugoslavs.

Official data of the SSNO [Federal Secretariat for National Defense] for the years 1971 and 1990, however, also warn of a large disproportion and a violation of the SFRY Constitution. Thus, in 1971, the JNA was short 39.4 percent officers of Croatian nationality, and in

1990, 37 percent. The shortage of Muslims for those same years was 54.8 and 41 percent; Slovenes—54.9 and 70.3; Albanians—95.3 and 81 percent; Hungarians—78.3 and 45.9; and others 54.6 and 62 percent. Montenegrins had a surplus of officers in the Army amounting to 180 percent in 1970 and 100 percent in 1990. The surplus for Serbs was 52 percent and 49.5 percent, while for Yugoslavs it was 370 and 71.5 percent. A surplus also began to emerge for Macedonians.

Even the figures which show the general ethnic composition of the officer corps are ruinous and shameful for the Army leadership. The fact that the ethnic structure of the Army leadership is in still greater disproportion and especially departs from the already unbalanced ethnic structure of the entire officer corps is still worse.

**Planned Discrimination of an Army "Above Nationalities"**

So that we might determine in more detail the ethnic surpluses and deficits in the professional officer corps, it is better to analyze the leadership structure of the Armed Forces. It is at the level of the rank of the leadership stratum of the Armed Forces, that is, where one can find very grievous facts because the Army that appears to be above nationalities clearly reveals planned discrimination that has existed for many years.

The greatest discrimination in that officer elite has been against the Albanian people, followed by the Hungarians, Muslims, and all the other ethnic minorities. The main question that is put here is why the Albanian people, which because of its high birth rate provides the JNA about a third of all Yugoslav draftees, has only 28 senior officers in that Army that is a "melting pot of brotherhood and unity" and only one general when it has a population of just under two million? How is it possible that all of the 1,900 slots for senior officers to which the Albanian nationality is entitled are not filled with Albanians; why are there no Albanians in 11 of the 12 slots for general to which they are entitled, when their share in the Yugoslav population is 7.7 percent?

The second nationality discriminated against in that elite are the Hungarians. The discrimination against them amounts to 100 percent in the rank of general, 88.4 percent in the rank of colonel, 87.2 percent in the rank of lieutenant colonel, and 79 percent in the rank of major. Then come the Muslims. Whereas their share is 8.9 percent in the population of the SFRY, they have 11 slots for general not occupied, 86.6 percent of their colonel slots are vacant, 80.1 percent of the slots for lieutenant colonel, and 73.8 percent of the slots for major. They have only three generals out of the 14 to which they are entitled and only one-fifth of the quota of senior officers to which they are otherwise entitled. According to the figures for this year, the situation is being corrected with the young generation of officers of Muslim nationality.

The remaining ethnic minorities in Yugoslavia make up a fourth group against whom distrust is harbored. This

group does not have a single representative in the rank of general and a large deficit for all the other senior officer ranks. They have only 137 senior officers out of the 431 slots to which they are entitled because their share in the population of the SFRY is 3.6 percent.

A very large deficit, which, however, we cannot say is at the level of discrimination, is also obvious in the case of the Croat and Slovene peoples. Croatia has a shortage of 26.7 percent at the level of general, 53.7 percent at the level of colonel, 45.6 percent at the level of lieutenant colonel, and 47.4 percent at the level of major. Of the 30 slots for general to which Croatia is entitled, eight are vacant and it only has half of the 2,487 slots for senior officers called for by the quota. Slovene personnel fill all 12 general slots to which they are entitled, but when it comes to the rank of colonel there is a shortage of 60.6 percent, a shortage of 70.4 percent for lieutenant colonels, and 75.8 percent for majors. In the JNA as a whole, it has only one-third of the 937 senior officer slots to which it is entitled.

#### Who Is Occupying the High Positions?

Who occupies the high Army positions that belong to others? The highest positions in the Army go mostly to Montenegrins, Serbs, and Yugoslavs. The Montenegrins have a surplus of 15 generals, the Serbs a surplus of 28, when they already have the highest quota for generals in Yugoslavia. The Montenegrins have 55 generals more than Croatia and 65 more than Slovenia. In other ranks, the Croats and Slovenes are much more drastically cheated.

A total of 54 percent of all the generals in the JNA are of Serbian nationality. If we add to them the generals of Montenegrin and Yugoslav nationality, we get the figure of 70 percent of the Yugoslav generals come from this inappropriate coalition. That ratio is still worse in the case of colonels—81 percent—which is twice that to which they are entitled. The Montenegrins exceed their ideal quota of colonels by all of 328 percent, and the situation is similar for the ranks of lieutenant colonel and major. All of this is obviously at the expense of the other nationalities.

The significant thing about these figures is that the ethnic distribution of the Army elite departs essentially not only from the ethnic structure of the population of the SFRY, but also from the overall distribution of the officer corps. The Army leadership still justifies its personnel policy by referring to the fact that the military calling is related to traditions, cultural characteristics,

and level of development of regions, that all the factors involved are complicated, and so on, and they argue that the Army, although it does not have ethnic parity in its staffing, is still as a whole oriented toward Yugoslavia.

However, if the JNA really wanted to achieve ethnic parity of all the Yugoslav nationalities, it would have to arise out of the sovereignty and differences of the nationalities, the model of the ideological army would have to be abandoned, and indoctrination with communist Serbo-Yugoslav proletarian internationalization of the professional officer corps would have to cease, and reliance would have to be placed on the culture, civilization, and ethnic background from which the officer corps and soldiers come.

#### The Mamula Line: Zadar-Knin-Karlovac-Virovitica

These statistical figures alert us to the fact that the Army, which has been represented in slogans—there is a small Yugoslavia in every tank—has been violating the SFRY Constitution behind the scenes and within itself with this kind of verbal affirmative approach. It is obvious that the Army frustrates recruitment to the higher ranks of the professional officer corps and discriminates against entire nationalities. With its Bolshevik conception of the abstract creation of a unified Yugoslavia, it has held in contempt all the cultural, ethnic, and religious characteristics of certain nationalities. Its sole desire has been to make the Yugoslav creation as unified as possible and the Yugoslav Army as unified as possible, and spiritually this was supposed to originate from the Serbian-Montenegrin cultural space, as a kind of core of Yugoslavism, which is taken for granted. In their desire to create a unified Yugoslav space, the KP [Communist Party] and JNA did not integrate that space with such a policy; on the contrary, they completely shattered it from the political and ethnic standpoint.

Such a large discrepancy from its own average distribution among the generals and senior officers and the behavior of the JNA suggests a linkage to the operational deployment of JNA units and raises the question of why the strongest concentration of all three service of the Armed Forces is in a broad band whose axis is on the line Zadar-Knin-Karlovac-Virovitica? Another unavoidable question is whether in last year's reorganization of the Armed Forces General Mamula had in mind only strategic considerations or something else as well? That is, this line has very curious similarities to the line of Croat cities which today Serbia is (more or less) openly claiming.

## HUNGARY

### State Audit Office Counselors on Party Finance

91CH0530A Budapest REFORM in Hungarian

15 Mar 91 pp 4-5

[Article by P.V.: "It Was Good Business To Form a Party in Hungary"]

[Text]

#### Breaking Out of Breaking In

One had to smile about the announcement that appeared a few weeks ago, namely, that everything is basically in order regarding the parties' financial accounts and the State Audit Office's objections were mainly the results of a lack of experience. But the reader of the newspaper found little reason to smile when he read about a fight between the leaders of a party that erupted because of a restaurant bill, or about another party where a lock was broken and documents and some cash were taken to make the inventory more authentic. Neither is he thrilled about the fact that the hundreds of thousands and millions consumed last year have not been accounted for to date. His happiness is not increased by learning where and how the organizational and campaign subsidies originating from the national budget, i.e., the taxpayers' money, was spent.

Today there is no sense anymore in looking for scapegoats. However, it might elicit some interest in finding out after the many and mutual accusations, what assets and financial means the parties indeed have. Up to now, it has been simple and handy, not negligible from the aspect of propaganda, to ask the MSZP [Hungarian Socialist Party], the MSZMP [Hungarian Socialist Workers' Party], the DEMISZ [Hungarian Democratic Youth Organization], or the SZOT [National Council of Trade Unions]: Where is the loot? But sooner or later, even the parties of pluralist parliament will have to reckon with the ripped-off citizen's interest in the whereabouts of the loot.

Those who expect sensational uncoverings in the present commentary will be disappointed. The REFORM is not an investigating authority and, thus, got the same rebuffing replies almost everywhere: "We need report only to our own membership on our financial situation."

This is true. This is why a single party's restaurant bill amounting to 60,443 forints may not be the subject of our investigation, nor can the subsequent house ban on visiting restaurants. Similarly, we have no authority to determine that Szeged, contrary to the kilometer account, is not 350 kilometers from Budapest. But, as it turned out, the press is not the only one to have a limited sphere of "authority."

Totaling party assets is impossible. This is the "end result" of our diligent research. The solution is made impossible by the 1989.XXXIII and the modifying

1990.LXII statutes, as well as by a host of statutes dealing with the State Audit Office. This is why I received only forgiving smiles and diplomatic answers during my conversations in the State Audit Office. This used to be the headquarters of the People's Control. All right. The people could control the actual processes as does the State Audit Office. (I ask that the foregoing be considered my personal opinion! Let the people control, let the state call for an account!)

"To begin with, here is a surprising legal fact: A party's assets can only be determined from the records of incorporation. The changes cannot be determined...."

"This is true! The strange thing is when a party is formed, it will no doubt start from zero. And it must give an account only on the zero, not on the accumulation of its assets...." comments Counselor Tamas Szavai.

"But, then, what was examined during the course of auditing party finances that stirred so much debate?"

"Legality. Nothing else. From time to time the parties must show receipts for how they spent their revenues. From time to time we send out summons to this effect by mail. There are parties that have not yet given account for the year 1989...."

The journalist is surprised by this sentence, but is stalled by the sense of diplomacy displayed by Mrs. Dezso Zsarnai, head of department and chief counselor. After a lengthy discourse, we arrived at this: The State Audit Office cannot take any steps until financial corruption is proven.

"The State Audit Office is not an investigating authority," she says. "We have no license for inquiring about anything that looks like a payment, that makes little sense, or is wasteful or unjustified. We cannot deal with such things."

It is not the former journalist "raised" in the "party state" that makes me say that no organization has ever been given such a great responsibility with such little authority as the State Audit Office. It would be more appropriate to say that "it was not assigned" such a task. As we learned, the State Audit Office should at present audit the accounts of 68 parties. The nice thing about this story is that not even the court register will reveal the actual number of parties that exist. Local organizations present themselves as independent parties, others "forget" to have their union or separation registered. More than half of last year's list is obsolete.

"This is a joke. We must investigate the registered parties. Where are they, who are its leaders...?" says the counselor.

Well, it would be advisable to finally put a dependable list together at last. And this should be the responsibility not of the State Audit Office, but of the Ministry of Justice and the Ministry of Interior. As Mr. Szavai said, many parties simply do not comply with the requirement

of registration. We asked for examples, addresses, names. The reply was a diplomatic smile.

"On the basis of what you have seen," I risked the question, "was it good business to form a party in Hungary?"

"That much is certain...."

The supplementary sentence comes after a little reflection:

"I could not say for sure whether or not this has been abused but the possibility did exist...."

A few more bits of information: at present no party owns any valuable real estate since they are "operating" from rented, state-owned buildings. (According to our information, they must state by midyear whether they choose to acquire their headquarters and offices through purchase or rent.)

"Are the parties good tenants? Do they pay?"

"It varies, but it is not our job to record financial events...."

It turns out that if the State Audit Office discovers a highly corrupt practice, it may present a proposal to the court through the prosecutor's office. We are not aware of any instance that this has happened.

"But there were such instances; or rather, there are."

"Regarding what?"

The reply is a smile again.

It is difficult to find out what are the State Audit Office's responsibilities and sphere of authority. As I learn from Mrs. Dezso Zsarnai, the parties are not required to undergo an audit conducted by a licensed auditing expert. She comments with a bitter smile: "even an incorporated company with a single employee is required to," and it turns out that the parties are not required to declare their assets. The only trouble is that the parliament allocated 300 million [currency not specified] of the taxpayers money for party purposes this year. No doubt there are some taxpayers who are not members of any party.

[Box, p 5]

### Mysterious Party Deals

According to last year's final accounts of registered foundations, limited companies, joint companies, and others, not all parties are poor.

Even the SZDSZ [Association of Free Democrats] has capital stock of 2 million invested in the Beszelo, Ltd., and the Liberty. The FIDESZ [Association of Democratic Youth] has interest of 1 million in the Fico. The Christian-Democrats' Hunnipack is supplemented by the Barankovics Foundation, totaling 1.1 million. Of course,

the MSZP is the richest. At the year's end, many of its millions were invested in many companies.

It is interesting to note that we could not collect any data on any MDF [Hungarian Democratic Forum] company or foundation, even though they exist; some with such strong capital that they can even manage the publication of a weekly magazine.

It is strange. How does a party secret turn into a business secret?

### Parliament Member Discusses Property Rights

91CH0516B Budapest HETI VILAGGAZDASAG  
in Hungarian 23 Mar 91 p 75

[Article by Jozsef Szajer, jurist, instructor at the ELTE law school, and parliamentary deputy of Association of Democratic Youth party: "The Sacredness of Which Property?"]

[Text] Proponents of proprietorial feel that their strongest argument is the sacredness of property, and the weakest link in the argument opposing reprivatization its inability to approach this issue. But there is no unity of legal precedent when it comes to the proprietorial claims' loss of validity, and the foothold it gives us in answering today's property-related questions is nowhere near as firm as it is proclaimed by adherents of rehabilitation.

The right to own property is a right which the state cannot touch, or touch only in a restricted manner, and only when it has very serious reasons to do so. Of course, the state is free to dispose of its own properties; as a matter of fact, there are few courses of action more advisable today than for it to dispose of such property in a program of rehabilitation as soon as possible. By doing so, the state would create genuine proprietors, and rehabilitate not the owners of property, but the principle of property itself. The constitution presently in force in this country guarantees the right to own property to its citizens. If we were to take this seriously, then we must argue against the right of interference by the state, or by the National Assembly.

However, the sacredness of the right to own property has always been limited by the eternal boundary of all pure principles, the "usus," the practice of "getting accustomed to something," which takes into consideration the changing effect of time on laws. What guaranteed the security of proprietorial rights for thousands of years has, paradoxically, been the principle of alienation. This principle asserts that, under certain circumstances, the passage of time makes proprietors out of people who used certain items as their own, even if the method of acquiring those items was faulty. This principle calculates history into property, which, in this part of the world, is not a useless notion. The proposed codex of Hungarian civil code, which formed the basis for civil law between the two world wars, established 32 years as the time required for alienation of property rights, while



the longest such period mentioned by Roman laws was 40 years. A law introduced in 1832 in Britain cited 60 years.

The reason that we in Hungary raise the issue of proprietary rehabilitation in connection with the nationalization introduced by the communists is just that the claims attached to the nationalized properties are not old enough to make reprivatization completely irrational.

At the same time, the 40-year span that has passed has been long enough to thoroughly confuse the frequently competing claims attached to each of the properties. The very notion of attaching an ideal date to reprivatization can present grave questions of principle and practice. Why should we use 1947, 1949, or 1848 for that matter; why not even the year of the Treaty of Szatmar? Once again, the only consistent answer to this is provided by the "usus."

If someone were still to use the sacredness of property as the basis for his claim to a peace of land, and were to use this principle in a consistent manner, then instead of setting forth a date, he would do better to document his claim by citing the lawfulness of his acquisition of said property prior to the time it was taken from him in an unlawful manner. However, in the process of reclaiming the property, he would have to prove that he acquired it lawfully from a lawful previous owner, and that the previous owner did the same, and so forth. It would be a hopeless task. The 1947 owner of a small plot of land, who received said property at the time of the 1945 land reform, can only document the lawful nature of his ownership going back two years, at the most. But even the validity provided by the land reform goes against the sacredness of the principle of property ownership, unless it took place with the consent of the previous owner or through immediate and complete compensation. In a nation based on the rule of laws, even the state cannot promulgate a law ordering the distribution of landed properties.

This means that opponents of rehabilitation have no reason to be ashamed because they trespassed against the sacred principle of property ownership; they are supported by the principle of lawfulness at least as much as those who propose rehabilitation. At the present time, every item of property has a proprietor. The right involved in this must be protected in order to maintain society's stability, and also in order to accelerate the transfer of property ownership.

In this sense, we must at all costs uphold the idea of property rights. We cannot proclaim a "new social contract" that ignores both the near-disappearing property claims of the past, nor the concrete, though somewhat tainted, ones of the present.

### Harsh Effect of Proposed Local Taxes Viewed

91CH0503A Budapest NEPSZABADSAG in Hungarian  
15 Mar 91 p 7

[Article by Istvan Tanacs: "Public Hearing; Szeged Citizens Express Their Views on 'Communist' Taxes"]

[Text] The Szeged Municipal Council recently held a public meeting on local taxes in the youth center. The intention was clear and honorable, unlike the past period's council that lacked legitimacy and made decisions without consulting the citizens, the democratically elected present council would listen also to what the citizens have to say before making any decision. The mayor, Dr. Pal Lippai was otherwise engaged and could not attend. Therefore, the deputy mayor, Jozsef Tuhegyi, presided at the public hearing. By way of introduction, experts outlined the possible options that the law offered. Then Szeged citizens were recognized in the order of the numbers that they had been issued. In what follows, we will quote from the more interesting opinions of the speakers.

#### By What Right?

The experts summed up the situation as follows: In Szeged, the submitted estimates of expenditure for purposes that may be financed by the local government presently total 1.7 billion forints. Of this amount, the state budget is providing only 400 million forints. The rest has to be financed from local taxes.

The question is: Are local taxes necessary, for what purpose, how much is needed, from whom, and in what form?

We listened to the views of the citizens:

"I am 71 and retired. In 1969, I applied for an apartment and was assigned to a 35-square-meter one in 1979. My question is, By what right did Mihaly Kupa introduce this interest tax that makes a mockery of any legality?"

"The parliament passed the tax."

"It did? Then with whom had the state signed a contract, with me or with the members of the parliament?"

"Your question is warranted, but on this occasion we are meeting to discuss local taxes. The tax on interest does not belong here."

"Everything belongs here! We added up that we will be paying 4,800 forints for heat, 380 for water, 1,200 for electricity, 1,150 for maintenance, 400 for the TV, and 120 for insurance. Then there is the mortgage payment and the tax on interest. Everything is going up; the fee for rubbish collection, food prices, the copayments for medicine. But my pension is only 6,000 forints, and it is not even the lowest. Who will be responsible if a wave of suicides starts among those who are sufficiently honest and want to pay but will lack the money to do so?"

"Regrettably, public order and safety are down to rock bottom. The newspaper reported the other day that a woman was attacked on Mars Square, and here ear rings were torn out of her ears. We do not dare to go out into the street even by day, let alone at night. I want to talk also about the death penalty."

"Please, sir. The topic of discussion is local taxes!"

"Even so I want to say that the prosecutor general told reporters that someone who had killed someone else still had a right to his own life. My question is, didn't the guy who was killed have a right to live?"

#### An Expert Interrupts

"I would like to propose that, if a tax has to be levied anyway, it should be levied on the widest possible strata, to keep the tax burden per family low. "I would like to tell the people gathered here that I am living alone in a 47-square-meter apartment, and my pension is 4,700 forints. Out of what am I supposed to pay taxes?"

"In view of your welfare situation, you do not have to pay taxes," one of the experts interrupted.

"I don't? Then I have nothing more to say. Thank you very much."

"They are always saying that there will be this kind of tax abatement and that kind of equitable treatment. So many people will be claiming tax benefits and exemptions that in the end only those citizens will be paying taxes who have been carrying the heaviest tax burden even up to now.

"I have worked very hard all of my life, together with my wife and family. By the time I reached old age, I had been able to save enough for a small house and a compact car. I have to pay compulsory insurance on the car, although I am driving it only on weekends, and merely from April through October. I also have to pay taxes on the house because the children have married and moved out, and the living space is too large for the two of us. Should we move out when the work of our lifetime is invested in it? I wonder whether those who did not work hard enough to acquire a home of their own, and waited instead for the council to assign them housing, are paying taxes?"

"More and more people are unemployed, and tax is being withheld from incomes to help them as well. But they are picking and choosing among jobs. They claim that the jobs offered them are unsuitable. They collect between 7,000 and 8,000 forints in unemployment benefits, which is as much as another person's pay. In addition to their unemployment benefits, they make 4,000 or 5,000 forints more by accepting casual work. At the same time, a percentage is deducted for their support from the 8,000 forints another person earns."

"Four of us in the family own a house in common. We are a large extended family of three generations, a total of ten members occupying a five-room apartment. Our living space is less than 25 square meters per person, and

therefore, we do not have to pay tax on our apartment. But there are three other apartments in the building, occupied by tenants for whom the apartments were requisitioned in 1945-47. They are paying hardly any rent. We are unable to give them notice, because they tell us to buy them other apartments, the kind they would be willing to accept. They are not relatives and are living more spaciouly than we are. I estimate that we will be paying 80,000 forints tax annually on their apartments. The expert just said that the tax will be based on the value of the property. But what kind of property is that if one is unable to freely dispose of it?"

"I would hate to see an antibusiness mood develop here under the pretext of local taxes. If entrepreneurs are taxed, who among them will provide jobs for employees? Indeed, the entrepreneurs will move out of Szeged, and then there will be neither tax revenue nor services. When speaking of an entrepreneur's making a profit of 100 forints, many people forget that he first had to incur 900 forints in costs. Once that 100 forints of profit has been earned, social security immediately takes away 53 forints. The state does not render an account of how it spends that money. For that much money, his family doctor should be accompanying the entrepreneur daily to work. But there is more, the state takes away 30 forints for profit tax, and now the local government will start tapping the 17 forints left."

"Nobody has denied the need for local taxes. All that has been said is that retired persons should not be paying local taxes because they cannot afford to, and neither should young people because they would be unable to build a future for themselves. The unemployed obviously have no money to pay taxes, and those people who still have jobs have to support the unemployed, the elderly, and the young people. Entrepreneurs could perhaps be bled a bit more. But then they will close their businesses, and the country will never extricate itself from the economic crisis."

#### The Anger Remained

Some of the participating citizens and councilmen had left by the end of the public hearing, but the anger remained. In the absence of other arguments, threats were made to report the municipal council to the United Nations Commission on Human Rights if the municipal council went ahead with levying "communalist" taxes (the expression used by one of the speakers). One person even promised to complain to Laszlo Kasza, a correspondent of Radio Free Europe.

#### SZDSZ Criticizes FIDESZ Compensation Plan

91CH0516A Budapest HETI VILAGGAZDASAG  
in Hungarian 30 Mar 91 p 75

[Article by economist Karoly Attila Soos, parliamentary deputy of the Association of Free Democrats, SZDSZ: "The Crafty Association of Democratic Youth and the Issue of Compensation"]

[Text] Most of the public thinks that the FIDESZ [Association of Democratic Youth] opposes the idea of compensation. In fact, what that party proposes is not "nothing to nobody," but a scheme according to which only those of the surviving former proprietors who are in very difficult financial circumstances should be compensated. These could receive a "compensation in a symbolic amount," not related to the size of property taken from them, "that would enable them to create dignified human existence for themselves," said Viktor Orban at the 4 February session of the National Assembly. This position does not tell us whether, for example, windows of former proprietors are eligible to receive compensation; nor do we find out if the number of people the FIDESZ considers to be living under undignified conditions is limited to the million and a half people who receive small pensions (that is, those who received less than 6,100 forints a month before this year's pension adjustment), only some of these, or perhaps an even greater segment of society. The answers to these questions determine whether the FIDESZ proposal would involve less than a hundred thousand or more than half a million people. According to a further view of Orban, "the issues of privatization and compensation must be separated from each other." That is, if I understand this correctly, compensations are not to be made in property, but in the form of earnings, which obviously would take the form of pension augmentation.

This proposal appears to be even worse than the government's proposed law on compensation. The latter is based on the principle of replacing confiscated business property with property in kind. The government is able to do this, because it has more business property than it is able to handle effectively, or sell at a suitable price to domestic or foreign buyers. More attractive than this, of course, is the FIDESZ-proposed pension augmentation, which does not place the burden of management responsibility and entrepreneurial risk on those that are being compensated. On the other hand, such burdens were also part of the properties that were confiscated! Is not it the confusion of principles to transform the once confiscated private business properties into social allocations guaranteed by the government?"

We might say that it does not matter, because aiding those who live in substandard conditions should not be subject to the purity of principles. True, but by the same token, such aid should not depend on whether the recipients are former property owners or not!

The real problem is that the FIDESZ' proposal gained the support of the coalition parties, which are now leaning toward the idea according to which recipients should be able to transform their compensation coupons into life annuities. Even though this would increase the income received by some pensioners (since it would involve no additional economic production), it would amount to pure inflation, harming the other property owners, including even other pensioners.

There is another solution to this problem, one that would strengthen the privatization effort: The compensation coupons of pensioners could be handled by one or more investment firms that would be more or less tied to the social security administration. These firms would use the coupons to acquire state properties; the more effective management of the latter would be a source of genuine (noninflationary) earnings. To be sure, seeking these types of solutions, or even better ones, would be less profitable in a political sense, than skillfully composed half-truths that covertly mix the issues of compensation with those of welfare policies.

### Manager Strives To Buy Construction Enterprise

91CH0516C Budapest HETI VILAGGAZDASAG  
in Hungarian 23 Mar 91 pp 30-31

[Interview with Janos Elek, commissioner in charge of privatization at the Kiskunhalas Construction Trust, by Pal Reti; place and date not given: "...Seven Hundred Proprietors: It Makes No Sense: The Views of a Manager Who Is Getting Ready To Purchase His Firm"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] The Kiskunhalas Construction Trust (KUNEP) is one of the few firms which the State Property Agency wants to sell to its employees. Recently there have been rumors to the effect that the management wants to talk the employees out of buying shares, and thus, acquire it for themselves. Moreover, it has also been asserted that Janos Elek, the 34-year-old commissioner who was entrusted last September, at the same time when the firm was placed under state supervision, with managing the privatization of the firm, wants to purchase the KUNEP himself. What is the truth? We asked the commissioner, "is it possible that the KUNEP will be the first firm that is purchased by management?"

[Reti] You utilize less than half of your capacities, and construction companies are going bankrupt one after another. Why would anyone want to purchase a construction firm, as you, the workers of the KUNEP, wish to do?

[Elek] To me, the KUNEP is not simply "a construction firm." I was born and raised in the Kiskunsag region. I started working here as an architect in 1978, and have not worked anywhere else since. By the way, this is not the first time the market discovered our firm. For ten years now the KUNEP has not enjoyed any privileges, and we never received "our share" of the large state investment projects. Since 1983 we always obtained our work through open bidding.

[Reti] But this time you are in a privileged position. Or how else can you explain the fact that of the first twenty state-owned enterprises selected for privatization the KUNEP is the only one for which the State Property Agency declared this in advance: "In the course of privatization, every effort must be made to see a majority ownership by employees come into being."

[Elek] This is no privilege. For one thing, we have earned it. Also, it is possible that no one but the workers would be interested in buying. As for the first reason, the KUNEP has always been considered the "young Turk" in the profession. We were the first to issue stocks in 1983, with special permission from the Ministry of Finance, and we were the first to start building and selling apartment houses at our own risk. And last year, as soon as the State Property Agency was created, we flooded the secretariat of the Council of Ministers with our proposal for privatization. The gist of that proposal was that we would take over the firm in a so-called portfolio lease arrangement, that is, we would pay part of the price up front, and make subsequent installment payments out of the profits. The majority of the 700 employees indicated willingness to buy the KUNEP stocks. At the time, no attention was paid to our proposal. Still, it was on that basis that we were able to fight our way into the first group selected for privatization. The State Property Agency accepted the idea of employee ownership, by adding that we too will have to compete.

[Reti] If there will be no potential buyer other than the employees, it will not be difficult to talk down the price....

[Elek] The consulting firm selected in December to organize the privatization is very silent, so we do not know if there are other potential buyers. To the best of my knowledge, last year a foreign firm was interested, but it found the entire procedure of privatization too slow. Anyway, the KUNEP cannot be an item of great value for a foreigner. Its own wealth of 180 million forints is made up largely of real estate, it has no particularly valuable technical equipment, and it owes 220 million forints. Even if a foreign firm happened to be interested in undertaking construction activities in Kiskunhalas, it would be better off renting the vacant Soviet barracks from the local authorities and starting to recruit workers.

[Reti] Well, you have already talked me out of buying. Or, is this how you would like to discourage not only outside buyers, but also the workers, from buying? After all, I hear people say that there is a new concept being proposed, in which there is no role for the employees...

[Elek] Last summer, when we decided to try jointly buying the firm, most of the people wanted to protect their jobs with that. I can understand that. The KUNEP is a very familiar organization; our turnover is small, we use voluntary labor to build our own resorts, and even some of our office facilities. Still, I feel that it makes no economic sense to have 700 proprietors. It is quite certain that the firm cannot be profitable with that many employees, and if they were to use their prerogative and prevent layoffs, then the firm would go bankrupt.

[Reti] Is it true, then, that you disagree with the concept of employee ownership, which you yourself proposed six months ago?

[Elek] I have no objection to seeing the workers as coupon-clipping shareholders. However, the KUNEP would be genuinely privatized only if the majority share, necessary for making decisions, would be in the managers' hands.

[Reti] How many managers?

[Elek] Three at most; preferably two. Perhaps even one.

[Reti] In other words, you would like to purchase the KUNEP by yourself?

[Elek] That is what I would really prefer to do, but I would understand if my colleagues were to consider that unethical. So, I would be satisfied if I could purchase the firm through the method described above. I feel that it would benefit the workers if about three or five hundred of them were employed by a flourishing firm.

[Reti] And what resources do you, the managers, have for the purchasing of the firm?

[Elek] We each are eligible to receive fifty million from the Existence Fund. If we are not allowed to pool these loans, then we would purchase the firm in parts, which in the case of a construction enterprise is no problem.

[Reti] Would you be willing to use your own money as well?

[Elek] Of course, if I had the opportunity to consider the firm my own, then I would put my own money in it; even down to the last penny.

[Reti] What if there is a competing buyer for the KUNEP, and someone beats the management's bid?

[Elek] In that case everyone will benefit. The State Property Agency will be happy because our bid will no doubt raise the price, and we will have gained some good experience. And we will buy another firm.

### **Chief of Budapest Bank Replaced Amid Controversy**

#### **Incumbent Called Unfit**

*91CH0557A Budapest MAGYAR HIRLAP  
in Hungarian 19 Apr 91 pp 1, 3*

[Article by Emilia Papp: "Csepi: It Would Be a Mistake To Enforce Political Considerations in Selecting Bank Leaders"]

[Text] "I came here with the mandate of the state, I am unable to change my recommendations," State Property Agency Director Lajos Csepi said at the general meetings of two large banks where he, thus far, represented the government. With the majority of the votes on the state's side, the state's will fully prevailed except for one matter. Discussion of a proposal relating to personnel change at the Budapest Bank has been postponed and will be dealt with at a special meeting to be held in the near future.

Based on a report published in yesterday's NEPSZABADSAG, however, it appears that the uncertainty has become a certainty. Allegedly BB [Budapest Bank] President Oszkar Hegedus will be succeeded by National Commercial and Credit Bank Deputy President Sandor Csanyi. No one denied this report yesterday in response to our question, but one thing is certain: If this is the case, one of the important associates of the OKHB [National Commercial and Credit Bank] will depart from that bank, a person who has strengthened the staff there for almost two years. The personnel change must be approved by the general meeting of course, but this will cause no problem considering the state's and social security's control over the majority of votes.

One wonders whether a politically motivated process is in the wings at large banks with this "changing of the head," to use NEPSZABADSAG's term. There is no easy answer to this question, even if in the case of Oszkar Hegedus, a former member of the Pest County Party Committee, it seems plausible that in this turn former communist party people holding leading positions at large banks will be dealt with. On the other hand, the suspicion of a politically motivated personnel change is contradicted by the person of the OKHB bank manager chosen as the successor.

In response to our question, Lajos Csepi firmly denied that any political consideration influenced the choice of bank leaders. This would be a big mistake, he said. On the other hand, it is also true that it would be easy to qualify as pretentious Csepi's arguments by which he tried to prove the bank chief's unfitness at the BB general meeting, because Csepi also acquired his post as a result of "changing the head."

The general meeting was told that the BB had sinned when it failed on two counts to meet the requirements of the banking supervisory authority. One violation pertains to loans granted to the Danube Crude Oil Enterprise and to Hunguard Ltd. which exceeded 30 percent of the bank's capital. This practice is not permitted because it presents too high a risk. But in the opinion of several individuals, absence of the DKV [Danube Crude Oil Enterprise] loan situation would have endangered the availability of gasoline supplies. Therefore, it may be assumed that some state pressure had been exerted to facilitate the loan. Hunguard's case also suggests the existence of some pressure exerted by the state, because the investment behind the loan constitutes the first major American-Hungarian joint venture involving the manufacture of float glass. Karoly Grosz himself helped bring about this joint venture in his day. Just what bank would have been able to resist state pressure related to this venture? For this reason, it is odd to hold culpable a bank chief today, because signs of pressure exerted by the state have constantly appeared ever since. Suffice it to recall Republica, Inc., the publisher of a daily newspaper "loyal" to the government, whose "pure business venture" was financed mainly out of bank capital.

The second count involves loans granted by the BB to two small cooperatives, which presently are facing liquidation, where the size of the loan was twice the amount of the debtors' capital. Even though this constitutes a violation, the loan amount represented a very small portion of the bank's business because the debtors in question were small cooperatives. And this could hardly be an argument in support of dismissing a president, especially if in the meantime the bank was able to present its last year's data as the best thus far, a matter not disputed by anyone.

This is true, except for the fact that due to the present accounting system, which knowingly presents a misleading picture of the profitability of banks, it is uncertain that the profits are indeed as high as shown in the books. For example, the bank may account for interest paid on questionably loans as revenues, thus increasing its net income, while behind that interest earned one finds tensions which may have been caused by what amounts to grave mistakes if viewed from a professional standpoint.

And as long as we have mentioned questionable outstanding loans, the total amount of such loans is the same at both the BB and the OKHB, except for the fact that the composition of such loans is less favorable at the BB. Accordingly, reports presented to general meetings should provide more in-depth analyses of the management of banks in order to find out which bank is better or worse. And if this cannot be found out and the arguments presented are not genuine, charges of political house cleaning may be made easily.

While the board of directors voted against Csepi's recommendation regarding dividends, Csepi had nothing but praise for the OKHB. Despite this peculiar contradiction the position of Geza Lenk appears safe. The big questions is this: What will take place at the general meeting of the largest commercial bank, the Hungarian Credit Bank? There too, one could raise questions relative to excessive ownership of real estate or questionable outstanding loans.

Presumably the game is not over, nevertheless, it may be concluded with multiple adverse results. One such result would be the exchange of cadres based on political motivation. The other possible adverse result could evolve as a result of "helping" the situation by covering up the actual condition of banks. This would open the door to political agitation as a result of which even the professionally justified personnel changes would fail to take place....

### Discrimination Charges

91CH0557B Budapest NEPSZABADSAG in Hungarian  
20 Apr 91 pp 1, 4

[Interview with Oszkar Hegedus, president of the Budapest Bank, by Karoly Csabai; place and date not given: "Only the First Violinist?"—first paragraph is NEPSZABADSAG introduction]

[Text] As reported earlier, AVU [State Property Agency] Director Lajos Csepi told BB [Budapest Bank] Chairman and President Oszkar Hegedus to resign. Our reporter questioned the bank chief regarding the background of this situation.

[Csabai] Since the head of AVU represents the state vis-a-vis large banks, it is probable that Lajos Csepi only conveyed the decision of a higher forum. What is your view?

[Hegedus] That is likely to be the case. Therefore, I will talk to higher level state leaders as soon as possible and inquire why they made this decision. But I can say this much already, as a human being I find this way of trying to relieve me as unacceptable. In my view, this method should not be used to relieve the head of a bank which has produced outstanding results. This has been recognized and can be proven with data. They should not invoke professional grounds, instead they should state openly that I must leave because of the system change.

[Csabai] How did Csepi justify the state's decision?

[Hegedus] All he said was that the owners did not trust me. In addition, he made reference to some data that was almost a year and a half old, which did not shed favorable light on the bank. Since then, however, the bank's indexes have improved significantly. There are facts to support this statement.

[Csabai] But then, what is your view, why do you have to leave?

[Hegedus] All I can think of is that the system change is now beginning also at the banks, and we are first in line.

[Csabai] Did you perform any kind of political function in earlier days?

[Hegedus] I have been a member of the Hungarian Socialist Workers Party since 1976.

[Csabai] Is it your view that after your resignation the rest of the large bank chiefs will also have to leave?

[Hegedus] If this matter pertains to the idea that the system change must also be implemented within the banks, then we could say that this is not an individual case and that the process is going to continue.

[Csabai] Are you willing to resign your post voluntarily?

[Hegedus] I see no reason for departing voluntarily, therefore, I will not resign. And I told this to Lajos Csepi. On the other hand, the state, as the largest owner has every opportunity to convene a special general meeting and to vote to replace me.

[Csabai] Are you aware perhaps to whom you have to hand over the keys to the BB?

[Hegedus] No one told me directly who my successor would be. But if it is true that the state wants to elect one of the leaders of the OKHB [National Commercial and Credit Bank], I must say that I regard this kind of rotation among the leaders of large banks as professionally unacceptable. This would by all means harm competition among the large banks.

[Csabai] Have you given any thought to where you would continue your career?

[Hegedus] Even though I had no doubt about being dismissed sooner or later, as of late, I have been so busy with our bank's institutional development and computer programs that I had no time to think about my future. It would have been beneficial to complete this work. Despite this, I am not at all in despair, moreover, I am optimistic because it is likely that I will be able to make use of the knowledge I acquired in the banking field. No vote can take this knowledge away from me.

## HUNGARY

### Difficulties in Transforming Medical Care System

91CH0553B Budapest NEPSZABADSAG in Hungarian  
18 Apr 91 pp 1, 4

[Article by Sandor Rege: "Health Has a Price; One Physician for Every 2,000 Patients"—first paragraph is NEPSZABADSAG introduction]

[Text] A special item in the reform of social security that is somewhat strange to the average citizen is the system of medical insurance, to be introduced on 1 January 1992. Beginning on that date, health care based on citizen's right will be replaced with service based on insurance. Our readers may already know from our earlier writings that the compulsory insurance premiums of those who are unable to pay insurance contributions will be paid from the national budget. We asked ministry commissioner Dr. Istvan Mikola how medical insurance, and health care, will work.

Medical insurance services will include therapeutic and preventive medical care and related transportation expenses, sick leave benefits, pregnancy and childbirth benefits, early retirement for the disabled, and contributions to the cost of medications and therapeutic equipment. Of course, these will be provided at a basic level which is essentially the same as what is already available to the citizen. But, within the care provided on an insurance basis, all of this will happen under "healthier" conditions of interest, i.e., the physician will have an interest in providing expeditious and complete treatment and the patient will have an interest in faster healing and in health maintenance.

In exchange for their money, participants in the compulsory insurance will be entitled to service, but they will not have to pay: their treatment will be paid for in the form of an insurance transaction in the background. Thus, a patient will take along a medical form when visiting his area physician. This form will be filled out by the physician, stating the services rendered, and the insurance company will pay him the appropriate fees. Thus, in practice, the insurance company will buy the physician's or hospital's services. The patient can go to any physician, because this financing will involve all sectors. The patient himself can also choose a specialist or hospital, but only through his area physician.

The fees for health care cannot at present be expressed in forints. Even though the point system, in which every health care activity is included, has already been completed. But the value of a point will depend on many factors. The system is rather complex, and there are technical problems in accounting, especially at inpatient institutions. A basic information system necessary for comprehensive accounting is nonexistent in Hungary. Financing the fees of an area physician can be accounted as follows: in calculating point values, the number of patients the physician has, the gravity of the patients' illnesses (on a scale that indicates the gravity level of

illnesses), the point value of the physician himself which is determined on the basis of the level of his training, i.e., the number of special examinations he has passed, and on his scientific activity, are taken into consideration; the system also evaluates what percentage of patients the area physician is able to heal completely. The amounts of fees will also depend on the so-called town structure index. Thus, for instance, if a physician works in a difficult area such as Szabolcs [County], his fees will be commensurate. The physicians' load will be limited, of course. A physician will be allowed to have a maximum of 1,500-2,000 patients a year in the basic services. It is expected that, through this system, professionally competent and courteous physicians who provide high-quality care will be financially rewarded while professionally weak and ill-suited physicians will be squeezed out.

Medical insurance will have another effect as well. Hospitals will be forced to make better use of their active beds and, thus, the number of active beds is expected to decrease by 20-30 percent nationally and, consequently, a lower number of hospital physicians will be needed. But since there is a shortage of physicians in basic care, physicians are not expected to be without jobs. Hospitals may use their freed spaces and establishments for ventures, may set up various bed categories, and may sell their services. The way it is planned, a hospital will get 100,000 forints for each relinquished bed, and this sum may be used for improving services and for the development of diagnostic instrumentation.

Those who are able to afford it may take out special insurance for extra services and special treatments. Those who have very high incomes and are able to pay in full for extra-high quality service will not have to participate in the compulsory insurance.

All of these concepts will no doubt evolve further, because the parliament's Social Security Subcommittee has substantial observations on the subject, as it became apparent at its meeting yesterday.

### Officials Slow To Address Poisoned-Well Problem

91CH0553A Budapest NEPSZABADSAG in Hungarian  
11 Apr 91 p 5

[Article by E. Peter Kovary: "Thousands Drink Poison With State Approval"]

[Text] (From our county correspondent) By the time they started school, their skin became keratose, like that of old people. Their palms and soles are always moist, their tonsils are enlarged, and they frequently suffer from respiratory illnesses. This is what a group of physicians of the Bekes County Hospital's Pediatric Ward found in 1981 in Bucsa, Ecsegfalva, Fuzesgyarmat, Korosladany, and Ukany in examining 1,012 school children as confidentially requested by the chief county medical officer. Arsenic was found in the wells during water sample collections the previous year in Szarvas.

Officials have handled the case confidentially for years, even when it became clear that the region's drinking water, including that of Bucsa, the most threatened area, had three or four times the allowable level of arsenic, if one can talk of any allowable level at all! Results became even more exasperating when Lokoshaza, which has good drinking water, was included in the study as control, and it turned out that the number of stillbirths and deaths around birth was twice higher, that of spontaneous abortions was one and a half times higher in the arsenic belt, including 31 towns in Bekes county and several others in other counties, with 206,000 total population, than in towns with good drinking water.

Four years after these tragic findings, the government's conscience began to move, launching a drinking water improvement program with the prospect of resolving the matter within one decade. The fact that much smaller events than finding five milligrams instead of the "normal" one milligram of arsenic per kilogram of body weight in children of the southern Plain shook, and continues to shake up people can supposedly be explained by the confidentiality of the study and its results and by the inexcusable absence of public information. Chromosome irregularities, which no doubt play a role in the malfunctioning of the small blood vessels and in the development of malignant tumors, can be shown in greater numbers in many of the children. After all of this, it is unexplainable why the program that would stop everyday poisoning must be delayed and why 92 million forints are missing from Bekes County's 1991 water treatment investment budget. It is unexplainable even in knowing that almost 1.2 billion forints had been spent in the Viharsarok [Stormy Corner] by the end of 1989 for removing arsenic from drinking water, i.e., for diluting the water's arsenic content, which is more of an

emergency rather than permanent solution. But, even so, 144,000 people living in 18 towns are still in danger.

And the fact that the monies, or part of the monies, especially set aside for this program are being used for other purposes can be considered nothing but inexcusable irresponsibility. Unfortunately, such cases came to light yesterday at local MDF [Hungarian Democratic Forum] parliamentary representative Zoltan Szokolay's press conference in Bekescsaba. Szokolay, who spoke in the parliament on behalf of the South Plain's poisoned people just last Monday, referred to the State Audit Office's newest study data in telling that half of the 98 million forints set aside for the program's planning, as well as 16.5 million forints set aside for development were used for general company developments in Bekes County. With the approval of the county council's appropriate department, the county's Water and Sewer Company used this money to purchase, among other things, 13 passenger cars and four trucks. Millions were used for plant operations, and drilling an auxiliary well for the Oroshaza water works cost 13 million forints, yielding water with a higher arsenic content than the water to be treated. One can find frequent professional indecision and experimentation at the firms that take part in the investment project and in the implementation. To date, no permanent place has been found for the sludge produced by the arsenic's removal, for instance.

Those condemned to further and continuous poisoning have only one hope left, namely, that the life-saving program will regain its original pace now that Parliament approved FIDESZ [Association of Democratic Youth] representative Janos Pap's proposal and required the government to file a report in three months. As the issue is human lives, the only real solution would be to accelerate the program.